

San Francisco Planning Department

NEIMAN MARCUS EXPANSION PROJECT

Final Environmental Impact Report

98.813E

Draft EIR Publication Date: May 8, 1999

Draft EIR Public Hearing Date: June 10, 1999

Draft EIR Public Comment Period: May 8 to June 10, 1999

EIR Certification Date: July 22, 1999

Changes from the text of the Draft EIR are indicated by solid dots (●) at the beginning of each revised section, paragraph, graphic or table.

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File No. 1998.813E
Neiman Marcus Expansion Project
125-29 and 199 Geary Street
Assessor's Block 313, Lots 14, 15, and 16

SAN FRANCISCO

CITY PLANNING COMMISSION

MOTION NO. 14856

ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT FOR A PROPOSAL TO DEMOLISH A BUILDING AT 125-29 GEARY STREET AND CONSTRUCT A HORIZONTAL AND VERTICAL EXPANSION OF AN ADJACENT RETAIL DEVELOPMENT LOCATED IN DOWNTOWN SAN FRANCISCO.

MOVED, That the San Francisco City Planning Commission (hereinafter "Commission") hereby CERTIFIES the Final Environmental Impact Report (EIR) identified as case file No. 1998.813E: Neiman Marcus Expansion Project, (hereinafter "Project") based upon the following findings:

1) The City and County of San Francisco, acting through the San Francisco Planning Department (hereinafter "Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 et seq., (hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").

a. The Department determined that an EIR was required and provided public notice of that determination by publication in a newspaper of general circulation on February 6, 1999.

b. On May 8, 1999, the Department published the Draft Environmental Impact Report (hereinafter "DEIR") and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the City Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice.

c. Notices of availability of the DEIR and of the date and time of the public hearing were posted near the project site on or around May 10, 1999.

d. On May 8, 1999 copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, to adjacent property owners, and to City agencies.

CITY PLANNING COMMISSION

File No. 1998.813E

Neiman Marcus Expansion Project

125-29 and 199 Geary Street

Assessor's Block 313, Lots 14, 15 and 16

Motion No. 14856

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- 2) The Commission held a duly advertised public hearing on said Draft Environmental Impact Report on June 10, 1999 at which opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments ended on June 10, 1999.
- 3) The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 33-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a "Draft Summary of Comments and Responses" published on July 10, 1999, distributed to the Commission and to all parties who commented on the DEIR, and was available to others upon request at Department offices.
- 4) The Final Environmental Impact Report consists of the Draft Environmental Impact Report, any consultations and comments received during the review process, any additional information that became available, and the Summary of Comments and Responses all as required by law.
- 5) Project Environmental Impact Report files have been made available for review by the Commission and the public. These files are available for public review at the Department offices at 1660 Mission Street, and are part of the record before the Commission.
- 6) On July 22, 1999, the Commission reviewed and considered the Final Environmental Impact Report and found that the contents of said report and the procedures through which the Final Environmental Impact Report was prepared, publicized and reviewed comply with the provisions of CEQA, the CEQA Guidelines and Chapter 31.
- 7) The City Planning Commission hereby does find that the Final Environmental Impact Report concerning File No. 1998.813E: Neiman Marcus Expansion Project reflects the independent judgment of the City and County of San Francisco, is adequate, accurate and objective, and that the Summary of Comments and Responses contains no significant revisions to the Draft Environmental Impact Report, and hereby does CERTIFY THE COMPLETION of said Final Environmental Impact Report in compliance with CEQA and the CEQA Guidelines.

CITY PLANNING COMMISSION

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8) The Commission, in certifying the completion of said Final Environmental Impact Report, hereby does find that the project described in the Environmental Impact Report will have the following significant unavoidable environmental impact, which cannot be mitigated to a level of nonsignificance: demolition of the building at 125-29 Geary Street, which the EIR concludes is a historical resource under CEQA.

I hereby certify that the foregoing Motion was ADOPTED by the City Planning Commission at its regular meeting of July 22, 1999.

Jonas Ionin
Commission Secretary

AYES:
NOES:
ABSENT:
ADOPTED:

San Francisco Planning Department

NEIMAN MARCUS EXPANSION PROJECT

Final Environmental Impact Report

98.813E

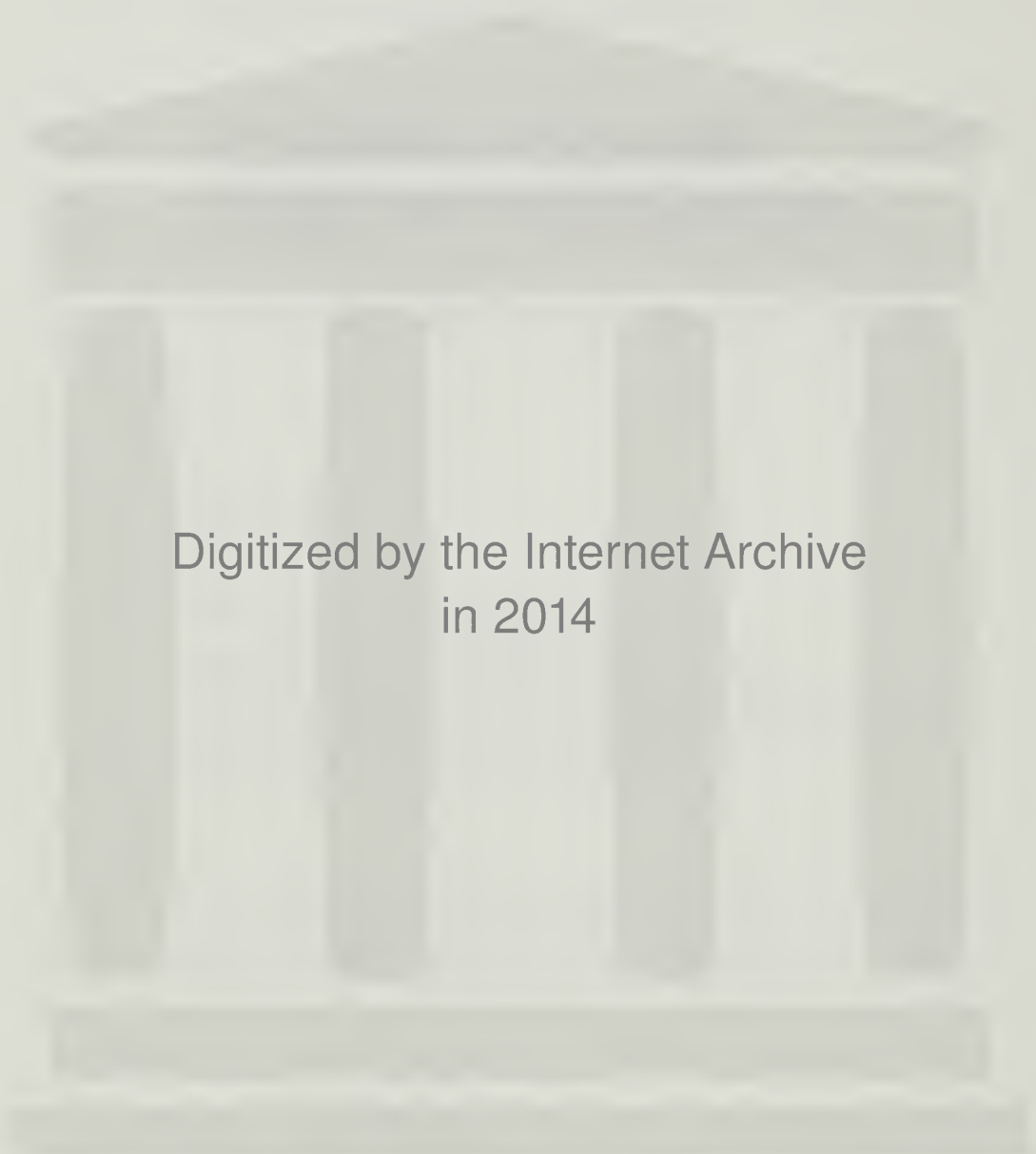
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CHAPTER I

SUMMARY

A. PROJECT DESCRIPTION (p. 13)

The Neiman Marcus Expansion Project (“Project”) would demolish an existing approximately 37,150-square-foot unreinforced masonry building (UMB), at 125-129 Geary Street, currently vacant except for one retail store, and construct a new six-story-plus-basement building that would be integrated with the existing Neiman Marcus store building, serving to expand the existing Neiman Marcus store building horizontally eastward on Geary Street. The Project would also add a partial sixth story to the existing Neiman Marcus store building and would include a small infill expansion of the existing Neiman Marcus store building fifth floor. The Project would add about 61,450 square feet of retail space to the existing approximately 189,200-square-foot Neiman Marcus store building.

The new sixth story would increase the height of the expanded Neiman Marcus store building from about 89.5 feet (measured at the existing center of the Geary Street facade) to about 105 feet (measured at the proposed center of the widened Geary Street facade, to the midpoint of a skylight proposed at the northwest corner of the partial sixth story). The sixth-story addition to the existing Neiman Marcus store building would not be visible from the sidewalk on either side of Geary Street or Stockton Street because it would be set back about 42 feet from the store’s existing Geary Street facade, and about 107 feet from the Stockton Street facade.

The proposed horizontal extension at 125-129 Geary Street would have approximately the same street wall height as the existing four-story building at that location, about 65 feet; the overall height would be the same as the partial sixth floor addition to the existing Neiman Marcus store building. Above 65 feet, the fourth and fifth floors of the horizontal extension would be set back about 8.5 feet, and the sixth story would be set back about 25 feet more. The stepped back fourth and fifth floors would not be visible from the sidewalk in front of the Neiman Marcus store building, but would be visible from the north sidewalk, across Geary Street. The sixth floor, set back about 33.5 feet from the facade, would not be visible from either sidewalk.

The horizontal extension would include a new east entrance to the expanded store, replacing the current secondary entrance at the east end of the Geary Street facade of the existing Neiman Marcus store building. This new entrance would be inset about 6 feet inside the property line and would be at grade. Neiman Marcus proposes to operate an espresso bar/cafe at this new entrance, potentially with sidewalk seating. The new entrance would be fully disabled-accessible, in contrast to the current secondary entrance, which has a stairway.

The exterior of the newly constructed horizontal extension is intended to be consistent with the design of nearby buildings in the Kearny-Market-Mason-Sutter Conservation District in which the Project site is located, with a glazed “curtain wall” with visible columns and beams. The design proposes reuse, as interior ornamentation, of the exterior cornice and medallions from the existing 125-129 Geary Street building. In a further effort to achieve compatibility with the Conservation District, the Project would also include certain exterior changes to the existing Neiman Marcus store building to integrate the existing building and the new horizontal extension, and to make the existing Neiman Marcus store building more compatible with nearby historic buildings. These changes would include, at the Geary and Stockton Streets corner, squaring off the existing rounded corner and replacement of the vertically oriented glazing surrounding the former City of Paris rotunda with horizontally oriented glazing. In addition, the curved skylight atop the Geary Street facade of the existing Neiman Marcus store building would be replaced with stepped glazing, and the existing eastern entrance would be closed and glazed as well. In addition, the existing harlequin (checkerboard) granite facades of the Neiman Marcus store building would be sandblasted to diminish the contrast in colors.

Three new loading bays in the proposed horizontal extension would replace the three existing loading bays in the Neiman Marcus store building. The existing site has no parking, and no parking would be provided as part of the Project.

B. ENVIRONMENTAL EFFECTS

This environmental impact report, for the Neiman Marcus Expansion Project, focuses on the issues of historic architectural resources and transportation. The historic architectural resource issue relates to the proposed demolition of the existing 125-129 Geary Street building, a Category IV (Contributory) building under Article 11 of the San Francisco Planning Code. The transportation issue is based on the proposal to increase the floor area of the existing Neiman Marcus store building. All other potential environmental effects were found to be at a less-than-significant level or to be mitigated to a less-than-significant level with mitigation measures to be implemented by the Project sponsor. (Please see the Initial Study, included in this document as Appendix A, for analysis of issues other than historic architectural resources and transportation.)

HISTORIC ARCHITECTURAL RESOURCES (p. 43)

The existing four-story-plus-basement building at 125-129 Geary Street is a Category IV (Contributory) Building within the Kearny-Market-Mason-Sutter Conservation District and was rated “C” (of Contextual Importance) by San Francisco Architectural Heritage. The building is classified by the Department of Building Inspection as an Unreinforced Masonry Building, meaning that it must be seismically strengthened by 2004 in accordance with the City’s Unreinforced Masonry Building Ordinance, or be demolished.

The 125-129 Geary Street building does not appear to meet the CEQA Section 21084.1 criteria for automatic or presumed definition as a historical resource. Nonetheless, the City has concluded, as permitted by Section 21084.1, that the 125-129 Geary Street building is to be deemed to be a historical resource under CEQA for purposes of this analysis. As such, demolition of the 125-129 Geary Street building would constitute a “substantial adverse change” that would be considered a significant adverse environmental effect. Another Category IV building in the Kearny-Market-Mason-Sutter Conservation District (116-124 Maiden Lane) is currently proposed for demolition. In addition, the former Emporium building, a Category I building, has been proposed for substantial demolition and alteration. It is unlikely that the loss of these three buildings would have a significant effect on the Conservation District, given the large size and number of buildings within the District, and because the District retains most of its buildings and its character intact.

The design of the proposed new horizontal extension would generally be consistent with the direction in Planning Code Section 1113, which requires that new construction be compatible in scale and design with the Conservation District. The horizontal extension, while taller than the existing 125-129 Geary Street building, would be similar in street wall height to that building and would incorporate similar proportions in its principal Geary Street facade through the use of two bays of windows divided by vertical structural members. In contrast to the existing 125-129 Geary Street building, the horizontal extension would include a setback of about six feet at street level. Changes proposed to the exterior of the existing Neiman Marcus store building are also intended to be compatible with the Conservation District.

TRAFFIC AND CIRCULATION (p. 49)

The Project would generate about 85 new vehicle trips and 90 new transit trips in the p.m. peak hour. Project traffic would not worsen operating conditions at any of the three study intersections: Geary / Grant, Geary / Stockton, and Stockton / O’Farrell, all of which currently operate at acceptable (LOS D or better) service levels during the p.m. peak hour. Under cumulative traffic conditions, the three study intersections generally would operate with acceptable service levels, but with increased delay.

The approximately 90 net new p.m. peak-hour transit (chiefly MUNI) trips generated by the Project, dispersed over 25 MUNI routes that serve the Project area, would not measurably affect existing service. The Project would, however, contribute to cumulative increases in transit ridership that would result in an incremental increase in capacity utilization.

The Project would create additional parking demand of about 16 spaces, and would provide no on-site parking (none currently exists). The average weekday mid-afternoon occupancy in off-street parking garages within the Project area would not be expected to increase from the existing 92 percent as a result of the unmet parking demand generated by the Project. Existing on-street parking conditions are essentially fully occupied, based on field observations, and would remain so with the Project. Parking conditions in the study area under cumulative conditions would be affected by future development in the

South of Market area, which would generate additional demand for about 3,340 spaces. The parking space deficit in the Project area resulting from cumulative development would be about 1,882 spaces, putting increased pressure on parking facilities north of Market Street in the vicinity of the Neiman Marcus Expansion Project, such as the Union Square, Ellis-O'Farrell, and Sutter-Stockton garages. This parking space deficit would result in drivers that come to the area parking farther away from their destinations or circulating around the area in search of a parking facility with available space, would cause an increase in illegal on-street parking, or would cause parkers to change travel modes. The long-term effect of the cumulative parking deficit could be to discourage auto use and encourage use of local transit.

The Project would not provide any additional off-street loading spaces, and would require an exception to the Planning Code loading requirement. However, freight and service vehicle loading activity at the Neiman Marcus store is lower than what theoretically would be expected to be generated by retail space, because Neiman Marcus controls all incoming and outgoing shipments (with the exception of parcel deliveries such as FedEx and UPS). The Neiman Marcus store currently receives one tractor-trailer shipment in the early morning hours (by 7:00 a.m.) on four of the five weekdays. With the Project, this would likely increase to one truck every weekday. All other loading activity would increase marginally.

Neither pedestrian nor bicycle conditions would be meaningfully affected by the Project.

In summary, the Project would not result in a significant impact on transportation, circulation or parking.

C. AREAS OF CONTROVERSY AND ISSUES TO BE RESOLVED

The primary area of controversy associated with the proposed Project concerns the proposal to demolish the existing 125-129 Geary Street building, a Category IV (Contributory) building in the Kearny-Market-Mason-Sutter Conservation District under Article 11 of the San Francisco Planning Code.

The Planning Commission will decide whether to approve or disapprove the proposed Project after review and certification of the EIR. In selecting or rejecting Project alternatives, decision makers may also use other information in the public record.

D. MITIGATION MEASURES (p. 55)

MEASURES PROPOSED AS PART OF THE PROJECT

- The Project sponsor would require the contractor(s) to sprinkle demolition sites with water during demolition, earthmoving and construction activities; sprinkle unpaved construction areas with water at least twice per day; cover stockpiles of soil, sand, and other material; cover trucks hauling debris, soil, sand or other such material; and sweep surrounding streets during demolition and construction at least once per day to reduce particulate emissions. Ordinance 175-91, passed by the Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control

activities. Therefore, the Project sponsor would require that the contractor(s) obtain reclaimed water from the Clean Water Program for this purpose.

- One or more geotechnical investigations by a California-licensed geotechnical engineer are included as part of the Project. The Project sponsor and contractor would follow the recommendations of the final geotechnical report(s) regarding any excavation and construction for the Project. The Project sponsor would ensure that the construction contractor conducts a pre-construction survey of existing conditions and monitors adjacent building(s) for damage during construction, if recommended by the geotechnical engineer.
- To ensure that workers and the public are not exposed to any potential hazardous materials that may exist in the soil to be graded for the new loading dock, the grading contractor shall ensure that workers who are exposed to soil contact wear rubber gloves. In addition, the contractor shall ensure that soil disturbed through grading be contained within the immediate area by means such as washing workers' shoes and washing earthmoving equipment (using recycled water as described above) prior to workers and equipment leaving the area where grading occurs. Other dust control measures included above would also serve to prevent the dispersion of potentially contaminated soil.
- The Project sponsor would ensure that building surveys for PCB-containing equipment (including elevator equipment), hydraulic oils, and fluorescent lights are performed prior to the start of demolition. Any hazardous materials so discovered would be abated according to federal, state, and local laws and regulations.

MEASURES IDENTIFIED BY THIS EIR

HISTORIC ARCHITECTURAL RESOURCES

The following measures would reduce but not eliminate significant adverse effects related to demolition of the 125-129 Geary Street building.

- Prior to demolition of the 125-129 Geary Street building, the Project sponsor could employ an architectural historian to document the building and its history in greater detail than has been done to date. The Project sponsor would submit that documentation, along with modified-format Historic American Buildings Survey drawings of the buildings, to the History Room of the San Francisco Main Library, the Secretary of the Landmarks Preservation Advisory Board, and the California Historical Society.
- To promote recognition of the building to be demolished and the Kearny-Market-Mason-Sutter Conservation District, the Project sponsor could install on or near the replacement structure a plaque and/or other monument memorializing the 125-129 Geary Street building to be demolished, along with the former City of Paris Building and the Conservation District. A plaque could be mounted on the front of the new horizontal extension to provide pedestrians with both a photographic image of the demolished building and information about the history of the buildings and the District. The Project sponsor could also include a pictorial display and/or booklet of the buildings' and District's history in a publicly accessible location inside the store. Design and

placement of such plaque and display would be reviewed and approved by the Planning Department in consultation with the Landmarks Preservation Advisory Board.

E. ALTERNATIVES TO THE PROPOSED PROJECT (p. 60)

ALTERNATIVE A: NO PROJECT

This alternative would entail no change to the site, which would remain in its existing condition. The 125-129 Geary Street building would not be demolished, and the existing Neiman Marcus store building would not be expanded, either vertically or horizontally. Also, the proposed exterior alterations to the existing Neiman Marcus store building, intended to make the building more compatible with the proposed horizontal extension and the Kearny-Market-Mason-Sutter Conservation District, would not occur.

This alternative would not result in immediate demolition of the 125-129 Geary Street building, a Category IV building under Article 11 of the Planning Code and deemed to be a historical resource under CEQA for purposes of this analysis. Under the City's Unreinforced Masonry Building (UMB) Ordinance, the building must be retrofitted by 2004, or demolished. Any subsequently proposed demolition would be subject to separate environmental review.

Unless the 125-129 Geary Street building were upgraded to accommodate other tenants or demolished pursuant to the UMB Ordinance, there would be no temporary construction impacts. Unless the building were upgraded and re-occupied, this alternative would not result in any increase in travel to and from the Project site, nor would it cause any of the impacts described in the Initial Study. Reoccupancy of the 125-129 Geary Street building, if it were to occur, would generate incrementally greater traffic and air pollutant emissions, compared to existing conditions.

Lack of the required seismic enhancement pursuant to the UMB Ordinance would likely mean that the 125-129 Geary Street building would remain vacant under the No Project Alternative, and ultimately would have to be demolished pursuant to the UMB Ordinance.

The No Project Alternative would be environmentally superior to the Project, at least over the near term, because it would avoid the environmental impacts of the Project, including immediate demolition of the 125-129 Geary Street building. However, the No Project Alternative would not meet any of the Project objectives because it would not allow Neiman Marcus to expand. Specifically, the No Project Alternative would not meet the following objectives of the Project sponsor: provide adequate expansion space; enhance the compatibility of the existing Neiman Marcus store building with the Conservation District; satisfy the Neiman Marcus Merchandising Standards; enliven the Geary Street façade through the provision of an entrance cafe/espresso bar; increase the transparency of the existing Neiman Marcus store building; bring the 125-129 Geary street site into compliance with current codes for new construction; increase the code compliance of the existing Neiman Marcus store building; increase the

transparency of and natural light in the 125-129 Geary Street building/horizontal extension; and provide Neiman Marcus a reasonable economic return on its investment.

ALTERNATIVE B: EXPANSION OF EXISTING NEIMAN MARCUS STORE BUILDING

Under this alternative, the existing Neiman Marcus store building would be expanded through construction of a partial sixth story, but there would be no construction at the 125-129 Geary Street site. The partial sixth story would have about 300 square feet more floor area than proposed with the Project, but could not be larger without casting new shadow on Union Square during hours covered by Planning Code Section 295. In addition, rooftop mechanical equipment in the western portion of the existing Neiman Marcus store building precludes feasibly extending the partial sixth story farther west than proposed with the Project. Other exterior alterations to the existing Neiman Marcus store building (reglazing and squaring off of the Geary/Stockton Streets entrance, sandblasting of the exterior harlequin pattern, relocation of the east entrance, and reglazing of the skylight notch), which are intended to make the existing building more compatible with the horizontal extension and the Conservation District, would not be made because these changes would not “read” as being more compatible with the District absent the architectural transition provided by the new Geary Street facade of the horizontal extension. The existing 125-129 Geary Street building would be retained, as under the No Project Alternative: the building could remain in its existing condition, and would require upgrading consistent with the City’s Unreinforced Masonry Building Ordinance by 2004, or could be demolished in the future. This alternative also would preclude creation of a new east entrance and espresso bar/cafe at the 125-129 Geary Street location.

This alternative would avoid the impacts of the Project resulting from immediate demolition of the 125-129 Geary Street building, deemed to be a historical resource under CEQA for purposes of this analysis. Because this alternative would result in less floor space being added, compared to the Project, transportation and related air-quality effects would be incrementally less severe than with the Project; these effects would be less-than-significant, as with the Project. Shadow effects, also less than significant with the Project, would be similar to those under the Project, because this alternative is assumed to not create new shadow on Union Square during hours covered by Section 295. Temporary construction impacts associated with the Project would occur under this alternative; however, there would be minimal demolition, so effects would be incrementally less than with the Project. Other effects described in the Initial Study related to the intensity of development could be incrementally less intensive than with the Project.

This alternative would be environmentally superior to the Project, because it would avoid the impact of the immediate demolition of the 125-129 Geary Street building. However, the Expansion of Existing Neiman Marcus Store Building Alternative would not meet the following objectives of the Project sponsor: provide adequate expansion space; enhance the compatibility of the existing Neiman Marcus store building with the Conservation District; satisfy the Neiman Marcus Merchandising Standards;

enliven the Geary Street facade through the provision of an entrance cafe/espresso bar; increase the transparency of the existing Neiman Marcus store building; bring the 125-129 Geary street site into compliance with current codes for new construction; increase the code compliance of the existing Neiman Marcus store building; increase the transparency of and natural light in the 125-129 Geary Street building/horizontal extension; and provide Neiman Marcus a reasonable economic return on its investment.

ALTERNATIVE C: PRESERVATION ALTERNATIVE

Under the Preservation Alternative, the existing Neiman Marcus store building would remain unchanged, while the 125-129 Geary Street building would be structurally upgraded to meet Building Code requirements for Unreinforced Masonry Buildings (UMBs). No additional floors would be added to the 125-129 Geary Street building. The required seismic enhancement for compliance with the UMB Ordinance was analyzed by a prior owner of the building. That analysis concluded that compliance would likely require, at a minimum, new east-west concrete wall beams, supported by new diagonal steel bracing, new foundations, new plywood diaphragms and new diaphragm chords at all floors and at the roof, new wall ties at every floor, and a new reinforced concrete slab in the basement. Other bracing, strapping, filling and reinforcement work and additional beams and columns would also be required. However, even minimum compliance with the UMB Ordinance would not bring the 125-129 Geary Street building into compliance with current code requirements for new construction, meaning that certain safety risks to building occupants, visitors and passers-by would remain.

Under the Preservation Alternative, no connection to the existing Neiman Marcus store building would be made. Proposed exterior alterations of the existing Neiman Marcus store building, which are intended to make the existing Neiman Marcus store building more compatible with the proposed horizontal extension and Conservation District, would not occur because these changes would not “read” as being more compatible with the District absent the architectural transition provided by the new Geary Street facade of the horizontal extension. In addition, no partial sixth story would be added to the existing Neiman Marcus store building.

The Preservation Alternative would avoid the impacts of the Project resulting from immediate demolition of the 125-129 Geary Street building, deemed to be a historical resource under CEQA for purposes of this analysis. Transportation and air quality impacts under this alternative would depend upon the type of reuse of the 125-129 Geary Street building. Because this alternative would result in less floor space being added than under the Project, if the 125-129 Geary Street building were reoccupied as a stand-alone retail store, transportation and air quality impacts would be incrementally less severe than with the Project; these effects would be less-than-significant, as with the Project. Shadow effects, also less than significant with the Project, would not occur under this alternative, because there would be no increase in building height. Temporary construction impacts would occur under this alternative, but would be incrementally less severe than with the Project, and would be less-than-significant. Hazardous building materials would likely be removed as part of a UMB upgrade, similar to conditions with the

Project. Other effects described in the Initial Study related to the intensity of development could be incrementally less intensive than with the Project.

Specifically, the Preservation Alternative would not meet the following objectives of the Project sponsor: provide adequate expansion space; enhance the compatibility of the existing Neiman Marcus store building with the Conservation District; satisfy the Neiman Marcus Merchandising Standards; create a single, integrated retail store; enliven the Geary Street facade through the provision of an entrance cafe/espresso bar; increase the transparency of the existing Neiman Marcus store building; bring the 125-129 Geary street site into compliance with current codes for new construction; increase the code compliance of the existing Neiman Marcus store building; increase the transparency of and natural light in the 125-129 Geary Street building/horizontal extension; and provide Neiman Marcus a reasonable economic return on its investment.

As a matter of corporate policy, Neiman Marcus would require the 125-129 Geary Street building to comply with current codes for new construction in order to provide for the safety of its customers, employees and passers by, and Neiman Marcus has indicated that it would therefore not proceed under the Preservation Alternative. In addition, given the high cost of seismic upgrade, it is possible that, under the Preservation Alternative, the 125-129 Geary Street building would not be upgraded, would remain vacant and would ultimately be demolished pursuant to the UMB Ordinance. The Preservation Alternative would be environmentally superior to the Project, because it would reduce the impact of the immediate demolition of the 125-129 Geary Street building.

ALTERNATIVE D: REHABILITATION ALTERNATIVE

The Rehabilitation Alternative could take one of two forms in terms of the 125-129 Geary Street building: (i) retention of only the Geary Street facade of the building; or (ii) retention of the Geary Street facade and some of the exterior walls of the building (in an effort to retain as much as possible of the building). Under either scenario, the interior of the 125-129 Geary Street building would be demolished to permit the construction of new floor extensions that would align with the floors of the existing Neiman Marcus store building and have the required seismic and structural characteristics to meet current codes for new construction. The new floors would not align with the retained Geary Street facade under either scenario.

Under the first scenario, only the Geary Street facade of the 125-129 Geary Street building would be retained in place and a bracing frame installed to support it while the remainder of the building was demolished. Under the second scenario, bracing frames would also support the east and south walls, which would also be retained in place. Under both scenarios, the new horizontal extension would then be constructed, and concrete applied to the retained wall(s) to stiffen them. New floor extensions would be constructed in alignment with the floors of the existing Neiman Marcus store building and two new floors would be added as part of the horizontal extension, aligning with the fifth and proposed sixth floors of the existing Neiman Marcus store building. Also, a new loading area would be constructed in

the new horizontal extension off Security Pacific Place. Under the second scenario, this loading dock would preclude restoring the lower portion of the rear elevation of the 125-129 Geary Street building. With the new internal structure in place, the old walls would be non-structural and would be partially visible only on Geary Street (with the second scenario, part of the rear wall would also be visible). This alternative also would preclude creation of a new east entrance and espresso bar/cafe at the 125-129 Geary Street location.

A new partial sixth story would be added to the existing Neiman Marcus store building. However, other proposed alterations to the exterior of the existing Neiman Marcus store building, which are intended to make the existing Neiman Marcus store building more compatible with the Conservation District and with the proposed horizontal extension, would not occur because (i) these changes would not “read” as being more compatible with the District absent the architectural transition provided by the new Geary Street facade of the horizontal extension; and (ii) the Project sponsor has determined that they would not be financially feasible when added to the cost of the rehabilitation of the 125-129 Geary Street building.

Under both scenarios, the 125-129 Geary Street building would be partially retained, lessening but not avoiding the impact of complete demolition. Generally, historic preservation entails restoration of environments and buildings, not artifacts and facades. Thus, the Rehabilitation Alternative likely would not fully mitigate the impact of the demolition to a less than significant level.

This alternative would result in slightly less space being added to the Neiman Marcus store building as with the Project. Transportation and related air-quality effects would be similar to those of the Project; these effects would be less-than-significant, as with the Project. Shadow effects, also less than significant with the Project, would be similar under this alternative, because there would be a comparable increase in building height at the 125-129 Geary Street site. Temporary construction impacts would be somewhat greater than with the Project, because this alternative would involve a longer construction period. Other effects described in the Initial Study related to the intensity of development could be incrementally less intensive (*e.g.*, increases in employment) than with the Project.

The Rehabilitation Alternative would not meet the following objectives of the Project sponsor: provide adequate expansion space; enhance the compatibility of the existing Neiman Marcus Store building with the Conservation District; enliven the Geary Street facade through the provision of an entrance cafe/espresso bar; increase the transparency of the existing Neiman Marcus store building; increase the transparency of and natural light in the 125-129 Geary Street building/horizontal extension; and provide Neiman Marcus a reasonable economic return on its investment.

ALTERNATIVE E: RECONSTRUCTION ALTERNATIVE

Under the Reconstruction Alternative, the existing Neiman Marcus store building would remain essentially unchanged while the 125-129 Geary Street building would be dismantled, structurally upgraded, and reconstructed to meet current code requirements for new construction, in addition to the San Francisco Unreinforced Masonry Building Ordinance. In addition, the reconstructed 125-129 Geary

Street building would be internally connected to the existing Neiman Marcus store building through new openings in the east wall of the existing Neiman Marcus store building.

Under the Reconstruction Alternative, all floors and walls of the 125-129 Geary Street building would be removed and subsequently reinstalled in their original locations to the maximum extent feasible. The entire building also would be subject to complete interior and exterior upgrades, including: egress stairs, elevators and restrooms, including accessibility features; building-wide mechanical, electrical, lighting and fire protection systems; storefronts, door and window systems; finished roofing and facade materials; structural strengthening to meet current building code requirements; and additional strengthening to allow for retail floor loading at the upper floors, which were designed to support only office live loads.

Under the Reconstruction Alternative, there would be no partial sixth story added to the existing Neiman Marcus store building. In addition, other proposed alterations to the exterior of the building, which are intended to make it more compatible with the Conservation District and with the proposed horizontal extension, would not occur because (i) these changes would not “read” as being more compatible with the District absent the architectural transition provided by the new Geary Street facade of the horizontal extension; and (ii) the Project sponsor has determined that they would not be financially feasible when added to the cost of reconstruction of the 125-129 Geary Street building.

As a matter of corporate policy, the Project sponsor would require that the 125-129 Geary Street building be brought into compliance with current codes for new construction (as opposed to the lesser requirements of the UMB Ordinance) in order to provide for the safety of its customers, employees and passers-by. To achieve this level of seismic strengthening, the building would have to be completely dismantled and reconstructed using the original materials adapted to modern construction technology. This process would require removal and storage of the Geary Street facade and the exterior bricks, demolition of the balance of the building with salvage of the reusable materials and replacement of the foundation (which could not be preserved if seismic standards are to be met). The existing brick walls would then be reconstructed as a veneer to new, reinforced concrete walls. In the interest of safety, the existing wood floor framing would be replaced with more fire-resistant construction materials. The facade elements that remained structurally sound would be re-anchored to the new walls, while facade elements that have deteriorated would be replaced.

The Reconstruction Alternative would reduce the impacts of the Project resulting from immediate demolition of the 125-129 Geary Street building, deemed to be a historical resource under CEQA for purposes of this analysis. However, because this alternative would involve substantial dismantling and reconstruction, it would not completely avoid the impacts of demolition. Because this alternative would result in less floor space being added to the Neiman Marcus store building, transportation and related air-quality effects would be incrementally less severe than with the Project; these effects would be less-than-significant, as with the Project. Shadow effects, also less than significant with the Project, would not occur under this alternative, because there would be no increase in building height. Temporary

construction impacts, such as noise, dust and construction traffic, would be similar under this alternative to those under the Project. Other effects described in the Initial Study related to the intensity of development would be similar or incrementally less intensive than with the Project.

According to the Project sponsor, the Reconstruction Alternative would result in substandard floor plans, sight lines and circulation patterns, with shorter than desirable ceiling heights, inadequate fitting room and storage space, and generally inefficient layouts, and particularly differences in floor heights between the 125-129 Geary Street building and the existing Neiman Marcus store building. This alternative therefore would not satisfy the Project sponsor's standards for customer convenience, service or store operation. In addition, creating openings in the eastern wall of the existing Neiman Marcus store building to connect to the reconstructed floors of the 125-129 Geary Street building would require demolition and relocation of one of the existing stairwells in the Neiman Marcus store building, causing major disruption to the ongoing operations of the existing store because, unlike the connection to the proposed horizontal extension, which could be shielded from the operational areas of the store, the staircase relocation would occur in the midst of the operational areas of the store.

The Reconstruction Alternative would be environmentally superior to the Project because it would reduce the impact of the immediate demolition of the 125-129 Geary Street building. However, because this alternative would involve partial demolition and partial reconstruction, it would not completely avoid the impacts of the demolition. In addition, this alternative would be impractical from a preservation standpoint because the amount of deconstruction and reconstruction involved would severely alter the historic fabric of the 125-129 Geary Street building. In addition, the Reconstruction Alternative would not meet the following objectives of the Project sponsor: provide adequate expansion space; enhance the compatibility of the existing Neiman Marcus Store building with the Conservation District; satisfy the Neiman Marcus Merchandising Standards; create a single, integrated retail store; enliven the Geary Street facade through the provision of an entrance cafe/espresso bar; increase the transparency of the existing Neiman Marcus store building; increase the code compliance of the existing Neiman Marcus store building; increase the transparency of and natural light in the 125-129 Geary Street building/horizontal extension; and provide Neiman Marcus a reasonable economic return on its investment.

CHAPTER II

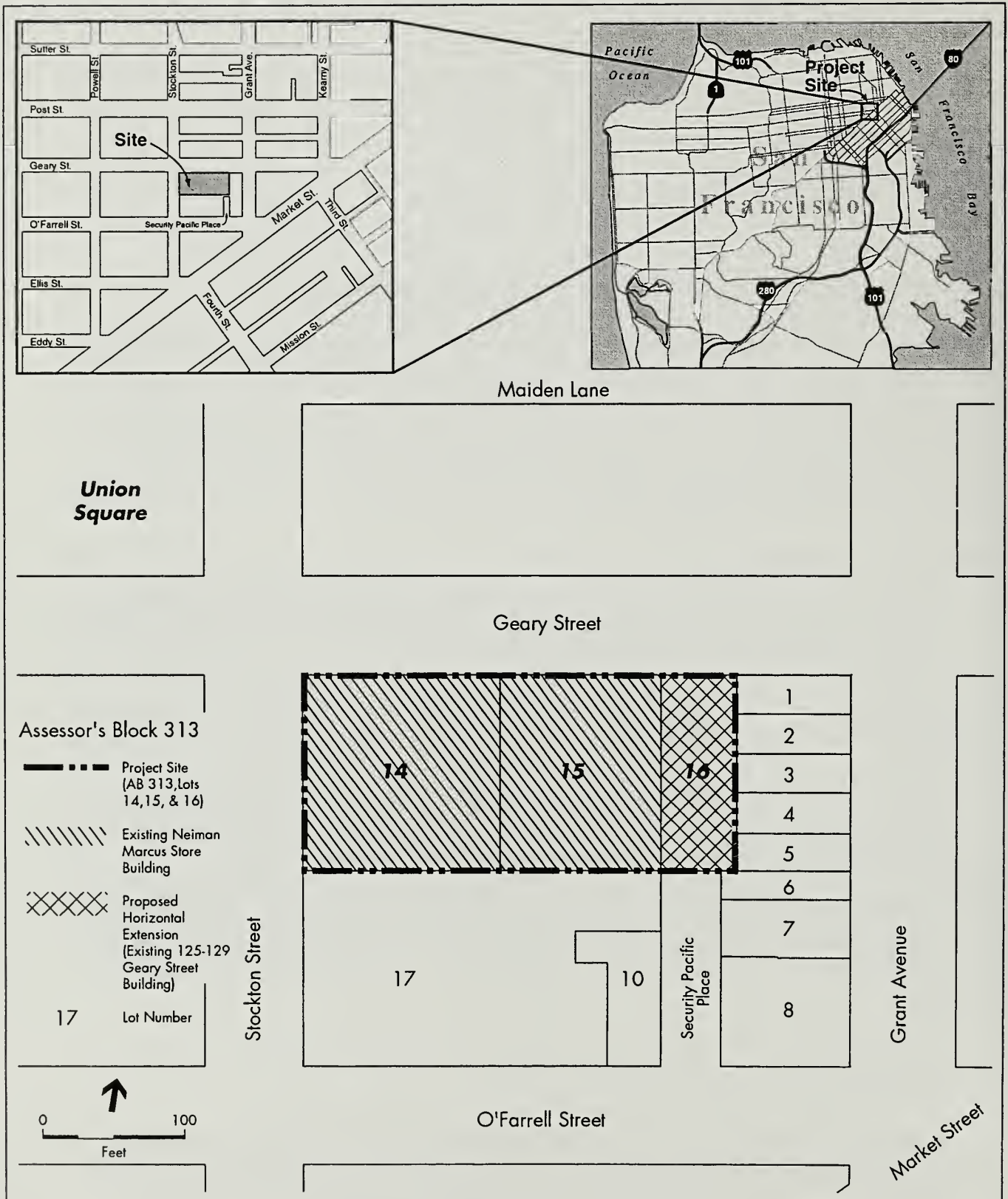
PROJECT DESCRIPTION

A. SITE LOCATION AND PROJECT CHARACTERISTICS

The Project site (Lots 14, 15, and 16 of Assessor's Block 313) is diagonally across the street from Union Square in downtown San Francisco, at the southeast corner of Geary and Stockton Streets (see Figure 1). Most of the approximately 41,775-square-foot site (Lots 14 and 15) is currently occupied by the existing five-story-plus-basement Neiman Marcus specialty department store, constructed in 1979-81 (the store opened in 1982), while the eastern portion (Lot 16) is occupied by a four-story-plus-basement unreinforced masonry structure built in 1908.

Project components would include:

- demolition of the existing 125-129 Geary Street unreinforced masonry building, identified in Article 11 of the San Francisco Planning Code as a Category IV (Contributory) Building within the Kearny-Market-Mason-Sutter Conservation District;
- construction of a six-story over basement horizontal extension of the existing Neiman Marcus store building at the 125-129 Geary Street site, with setbacks at the fourth and sixth floors;
- addition of a partial sixth story to the existing Neiman Marcus store building, set back from both Geary and Stockton streets, with a six-foot tall pitched-roof skylight at the northwestern corner of the new sixth story, above the existing Neiman Marcus store building's escalators;
- relocation of the eastern entrance of the existing Neiman Marcus store building from its current location near the east end of its Geary Street facade to the new horizontal extension, and creation of additional shop windows in lieu of the existing eastern entrance and the adjacent opening to the east;
- sandblasting of the exterior walls of the existing Neiman Marcus store building to mute the current harlequin (checkerboard) pattern of the exterior finish;
- replacement of the glazing in the existing Neiman Marcus store building surrounding the former City of Paris rotunda at the corner of Geary and Stockton Streets, and of the glazing in the existing skylight notch on Geary Street (both the corner glazing and the skylight would be "squared," in contrast to their existing rounded shapes), to increase the visibility of the rotunda, complement the design of the horizontal extension, make the entrance more compatible with nearby corners, and reflect the existing facade grid typical of the Kearny-Market-Mason-Sutter Conservation District;



SOURCE: Environmental Science Associates

98.813E: Neiman Marcus Expansion (ESA 980423) ■

Figure 1
Project Location

- relocation of the existing loading dock at the rear of the Neiman Marcus store building, where access is shared with the adjacent Macy's men's store, to the rear of the horizontal extension, where shared access would not be required and each store's loading docks would have separate access to Security Pacific Place;
- provision of accessible entrances and paths of travel to the existing Neiman Marcus store building and the new horizontal extension;
- provision of improvements to the Life Safety Systems in both the existing Neiman Marcus store building and the new horizontal extension;
- provision of exiting to the public ways from each stairway; and
- merger of the three lots on the Project site into a single lot.

The Project would demolish the existing approximately 37,150-square-foot unreinforced masonry building (UMB), at 125-129 Geary Street, which is currently vacant except for one ground floor retail store, and construct a new six-story-plus-basement building that would be structurally and functionally integrated with the existing Neiman Marcus store building, serving to expand the existing approximately 189,200-square-foot store horizontally eastward on Geary Street. The Project would also add a partial sixth story to the existing Neiman Marcus store building and would include a small (approximately 2,500 square feet) infill expansion of the existing fifth floor. The total additional retail space proposed is 61,450 square feet; net new space, accounting for the demolition of the existing 800-square-foot occupied retail store at 125-129 Geary Street, would be about 60,650 square feet.¹

The new sixth story would increase the height of the expanded Neiman Marcus store building from about 89.5 feet (measured at the existing center of the Geary Street facade) to about 105 feet (measured at the proposed center of the widened Geary Street facade, to the midpoint of the proposed sixth floor skylight). The sixth-story addition to the existing Neiman Marcus store building would not be visible from the sidewalk on either side of Geary Street or Stockton Street because it would be set back about 42 feet from the store's existing Geary Street facade, and about 107 feet from the Stockton Street facade.

The proposed horizontal extension at 125-129 Geary Street would have approximately the same street wall height as the existing four-story building at that location, about 65 feet.² Above that point, the fourth and fifth floors would be set back about 8.5 feet, and the sixth story would be set back an additional approximately 25 feet.³ The stepped back fourth and fifth floors would not be visible from the

¹ Actual new building space would be about 24,300 square feet (61,450 sq. ft. new less 37,150 sq. ft. in existing building). For purposes of a conservative impact analysis, however, the larger numbers are used because the existing building is mostly vacant.

² Measured at the center line of the expanded structure, the height of the horizontal extension would be about 62 feet, because the site slopes slightly down to the east.

³ As noted, the existing 125-129 Geary Street building is four stories above street level. Because of the slope of Geary Street, the new building on that portion of the site would have its first floor approximately 7 feet above grade, to match the existing

sidewalk in front of the Neiman Marcus store building, but would be visible from the north sidewalk, across Geary Street. The sixth floor, set back about 33.5 feet from the facade, would not be visible from either sidewalk. The height of the horizontal extension would be about 102 feet (again, measured at the proposed center of the widened Geary Street facade), the same height as roof of the sixth story addition to the existing Neiman Marcus store building.

The horizontal extension would include a new east entrance to the expanded store, replacing the current secondary entrance at the Geary Street facade of the existing Neiman Marcus store building. This new entrance would be inset about 6 feet inside the property line and would be at grade. Due to the slope of the site along Geary Street, the new entrance would be about 7 feet below the level of the main entrance at Geary and Stockton Streets. As a result, the new entrance would include a lobby that would be one-and-a-half-stories tall, with stairs and an elevator leading up to the main (ground) floor and down to the basement of the expanded building. Neiman Marcus proposes to operate an espresso bar/cafe at this new entrance, potentially with sidewalk seating. The new entrance would be fully disabled-accessible, in contrast to the existing secondary entrance, which is up a short flight of stairs from the sidewalk.

The principal Geary Street facade of the newly constructed horizontal extension is intended to be consistent with the design of nearby buildings in the Kearny-Market-Mason-Sutter Conservation District in which the Project site is located, in that the Geary Street facade would be entirely glazed, with visible columns and beams, in a “curtain wall” design that would be reminiscent of early 20th century commercial architecture. The design proposes reuse, as interior ornamentation, of the exterior cornice and medallions from the existing 125-129 Geary Street building. These architectural elements would be installed inside the new 1½-story east entrance lobby. The horizontal extension would also include an exterior sign identifying it as part of the Neiman Marcus store.

In a further effort to achieve compatibility with the Conservation District, the Project would also include certain exterior changes to the existing Neiman Marcus store building to integrate the existing building and the new horizontal extension, and to make the existing Neiman Marcus store building more compatible with nearby historic buildings. The Project would replace the existing vertically oriented glazing surrounding the former City of Paris rotunda, at the store’s main entrance at Geary and Stockton Streets, with new glazing that would be “squared off” (not rounded as at present) and horizontally oriented, more in keeping with the historic patterns of fenestration in the Conservation District, and similar in orientation to that proposed for the new horizontal extension. The former City of Paris rotunda, which is immediately inside the Neiman Marcus store entrance but is not attached to the existing vertically oriented glazing surrounding it, would not be affected by the changes in glazing. The rotunda skylight would also be retained intact, and would not be affected by the Project.

In addition, the existing skylight notch atop the Geary Street facade of the existing Neiman Marcus store building would remain, but the curved glazing would be replaced with stepped glazing that, like the

ground floor of the Neiman Marcus store building. Therefore, only three stories of the new building would be constructed within the 65-foot street wall, and stories four, five, and six would be set back from the street.

corner entrance, would be related to the facade of the new horizontal extension. In addition, the Project sponsor proposes to sandblast the existing harlequin (checkerboard) granite facades of the Neiman Marcus store building to diminish the contrast between colors in the harlequin pattern. Finally, the existing eastern entrance to the Neiman Marcus store building and the adjacent opening to the east, which are to be closed as part of the Project, would also receive horizontally oriented glazing that would “pick up” horizontal elements in the design of the new horizontal extension at 125-129 Geary Street.

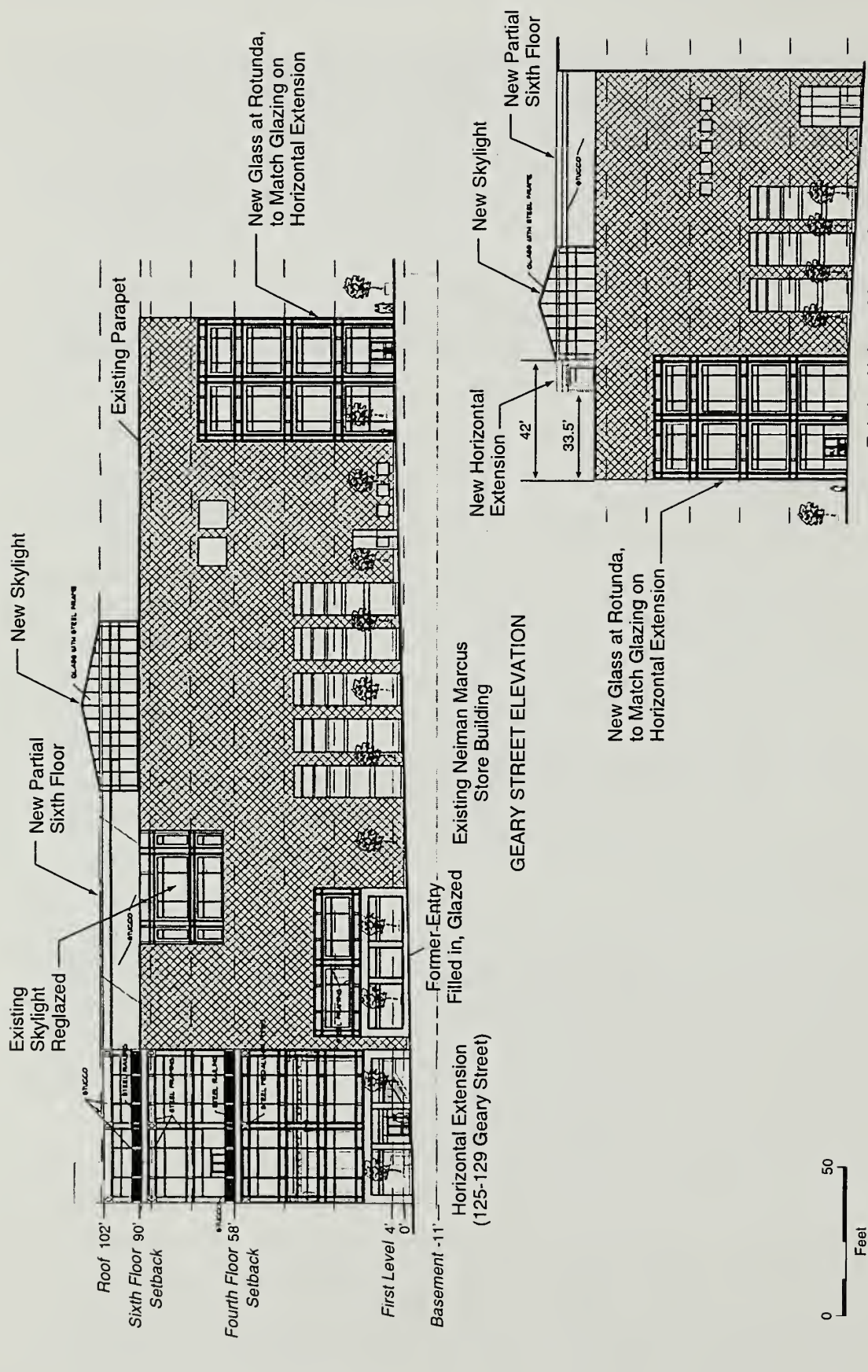
Figure 2 shows the proposed Geary Street elevation, including the existing Neiman Marcus store building with modifications to its eastern entrance and adjacent opening to the east, the fifth floor notch, and the entrance at the corner of Geary and Stockton Streets; the proposed sixth-floor addition; and the new horizontal extension at 125-129 Geary Street, as well as the Stockton Street elevation.

At the rear of the new horizontal extension, where Lot 16 faces an existing alley (“Security Pacific Place”), three new loading bays would be constructed, replacing the three existing loading bays in the Neiman Marcus store building (also accessible from Security Pacific Place but inefficient in operation due to their access via a diagonal easement through the rear of the Macy’s men’s store). The Project sponsor also proposes to provide access to the proposed new loading dock by grading the northernmost end of Security Pacific Place to a depth of up to about 2 feet below existing grade. With these changes, the Macy’s loading dock would continue to have access to Security Pacific Place as at present.

The existing site has no parking, and no parking would be provided as part of the Project.

The primary pedestrian entrance to the Neiman Marcus store building would remain at the corner of Geary and Stockton Streets, beneath the historic City of Paris building rotunda. As noted, the existing non-disabled-accessible secondary entrance on the Geary Street facade would be closed and replaced by a fully accessible entrance in the new horizontal extension at 125-129 Geary Street. Figure 3, p. 19, shows the proposed ground floor plan.

The floor plans of the existing Neiman Marcus store building would be largely unchanged by the Project, with the following exceptions: the existing basement loading docks would be converted to retail space; the existing secondary (eastern) pedestrian entrance, to be closed, would be filled in and an additional approximately 425 square feet of retail floor area gained; the existing mezzanine area at the southeast end of the first floor, which is currently accessible only via a staircase, would be lowered to the level of the first floor, eliminating the staircase, bringing the area into compliance with accessibility requirements; and on the fifth floor, an existing light well would be filled in and an existing outdoor courtyard, currently accessible to employees only, would be enclosed: together, these two changes on the fifth floor would add about 2,500 square feet of floor area. The existing outdoor courtyard is lower than the level of the existing western portion of the building roof and the new floor area would not be visible from the street, because it would be hidden below behind the building’s existing parapet wall. Figure 4, p. 20, shows the new sixth floor, including the roof of the filled in courtyard on the fifth floor. In addition to the above changes, the eastern wall of the existing Neiman Marcus store building would be



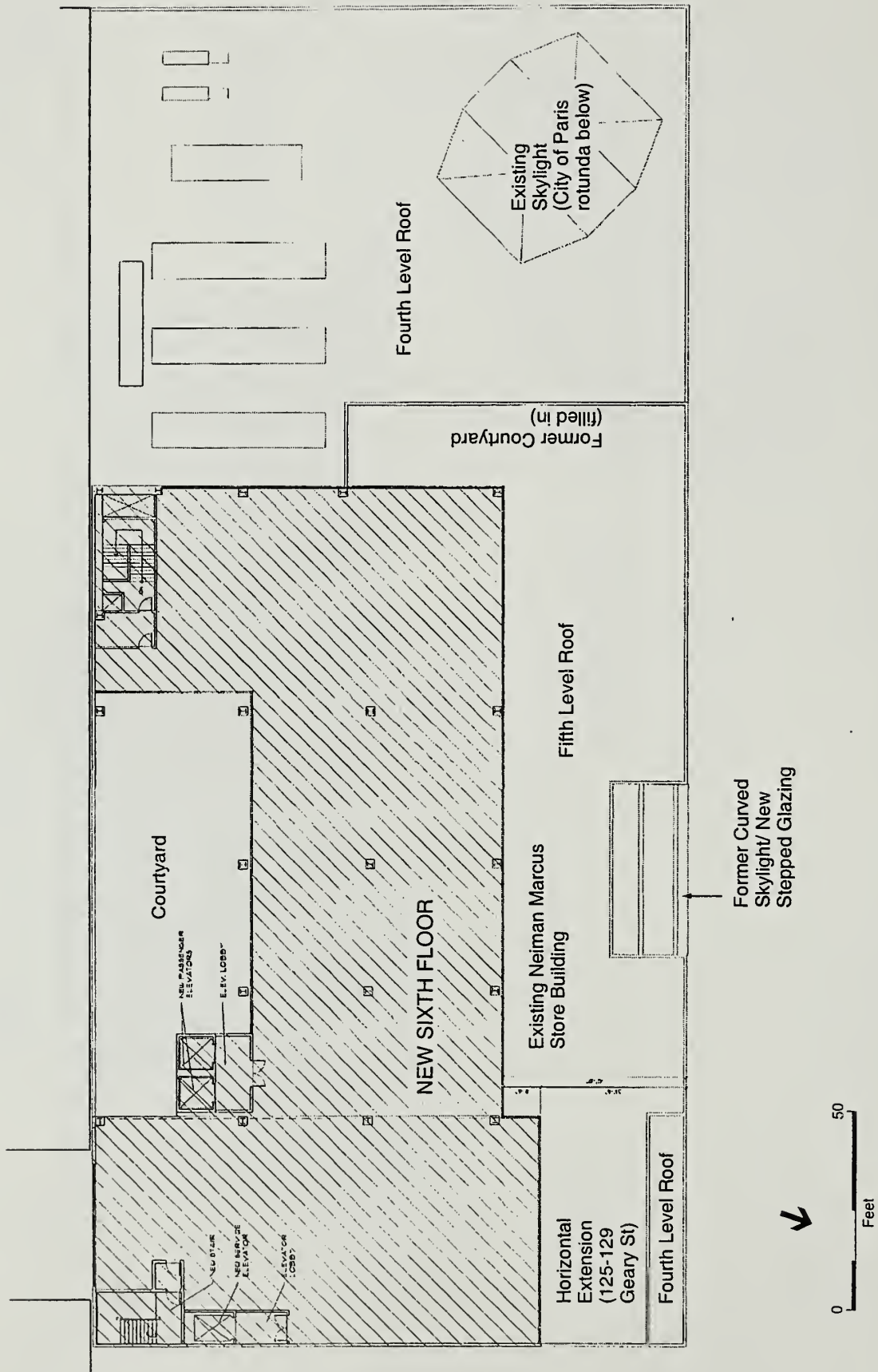
Note: Elev. 0' based on centerline of Geary Street facade

SOURCE: Diedrich NBA

98.813E: Neiman Marcus Expansion (ESA 980423)

Figure 2

Proposed Elevations



98.813E: Neiman Marcus Expansion (ESA 980423) ■

Figure 4
New Sixth Floor

SOURCE: Diedrich NBA

demolished to permit the new horizontal extension to be connected, both structurally and functionally, to the existing building.

The existing Neiman Marcus store building is located on two separate assessor's parcels, while the 125-129 Geary Street building is on a third parcel. As part of the Project, the Project sponsor proposes a merger of the three parcels on the Project site into a single parcel.

The existing four-story-plus-basement building at 125-129 Geary Street is constructed of brick walls with steel columns. Built in 1908, it is a Category IV (Contributory) Building within the Kearny-Market-Mason-Sutter Conservation District and was rated "C" (of Contextual Importance) by San Francisco Architectural Heritage. The building is classified by the Department of Building Inspection as an Unreinforced Masonry Building, meaning that it must be seismically strengthened by 2004 in accordance with the City's Unreinforced Masonry Building Ordinance, or be demolished.

The 125-129 Geary Street building is constructed on a spread-footing foundation and has a basement about 13 feet deep (to the bottom of the slab) that extends beneath the Geary Street sidewalk. This basement would be demolished and a new partial basement would be constructed to connect to and align with the basement in the existing Neiman Marcus store building. (The new basement would not extend under the sidewalk.) The new horizontal extension would likely be constructed on spread footings (which is also the foundation system of the existing Neiman Marcus store building). Little excavation is anticipated at the basement level, because the first floor of the horizontal extension would be above grade (see Footnote No. 3, p. 15) and the existing basement at 125-129 Geary Street is deeper than would be its replacement. However, grading to a depth of up to about 2 feet below existing grade would be required at the northernmost end of Security Pacific Place behind the 125-129 Geary Street building to assure adequate vertical clearance for trucks at the proposed new loading dock (approximately 2 cubic yards of soil would be removed). No pile driving is proposed as part of the Project.

The Project floor area ratio (FAR) would be 6.0:1, which is the maximum permitted FAR in the C-3-R Use District (without transfer of development rights to the site).

Project construction, including demolition of the existing 125-129 Geary Street building, would take 18 to 20 months, with opening of the Project planned for mid-2001. The cost of the Project is estimated at \$18.5 million. The existing Neiman Marcus store would remain open throughout the construction period.

B. PROJECT SPONSOR'S OBJECTIVES

The primary objectives of the Project sponsor, Neiman Marcus, are to provide adequate expansion space, consistent with Neiman Marcus' Merchandising Standards (discussed below), in its San Francisco store to meet growing customer demand and to secure a reasonable economic return on its investment in the Project. The Project would accomplish this by demolishing an existing adjacent building and expanding the current store building both horizontally, onto the site of the building to be demolished, and vertically,

by the addition of a partial sixth story. As part of the overall Project, the Project sponsor proposes to enhance the compatibility of the existing Neiman Marcus store building with the proposed horizontal extension and the surrounding Kearny-Market-Mason-Sutter Conservation District by replacing existing glazing, squaring off the existing rounded Geary and Stockton Streets corner of the building, sandblasting to mute the harlequin pattern of the building exterior and integrating the horizontal extension and the existing store building into a single visual and functional structure (these changes, when combined with the proposed horizontal extension, would result in an overall structure that would “read” as being more compatible with the District than is the existing Neiman Marcus store building). Finally, the Project sponsor proposes to undertake the expansion without creating any additional shadow on Union Square during the hours governed by Section 295 of the Planning Code (“Proposition K”), which are the hours between one hour after sunrise and one hour before sunset.

The Project sponsor had originally proposed that additional floors be added to the existing Neiman Marcus store building, but this option was rejected following an initial review of shadow effects that indicated additional floors beyond a partial sixth story would create new shadow on Union Square during the hours prescribed by Section 295. Accordingly, the Project sponsor believes that both vertical expansion by one partial story and horizontal extension to the adjacent 125-129 Geary Street site are necessary to achieve the minimum expansion space that would make the Project financially feasible.

The Project sponsor intends that the expansion Project be consistent with Neiman Marcus’ “Merchandising Standards.” These standards dictate the distinctive interior architectural and physical layout that has created the clearly identifiable Neiman Marcus “signature” of an open selling floor with only carefully selected and representative merchandise on display. According to the Project sponsor, these standards are a critical element in new store design or modernization.

The Neiman Marcus Merchandising Standards provide not only the company’s “signature” look, but also a key component of its competitive marketing advantage with its target customer audience. The Standards are:

- The stores must offer a strong assortment of fine quality goods.
- To successfully present and sell such goods, the stores must be uncluttered yet offer customers a sense of excitement.
- Contrary to many department stores, the stores will not fixture every square foot of floor area and every linear foot of perimeter wall.
- The stores will preserve selected open spaces, provide furniture for customers to use, and reserve wall and floor space for notable pieces of art.
- The stores will subscribe to the concept of fitting room selling in the women’s apparel departments, providing spacious fitting rooms and adequate seating.

- In an effort not to overwhelm customers with merchandise, the stores will not put all of the inventory on the selling floor, but will maintain stockrooms in every department.
- Because customers do not want to feel confined, the stores will have high ceilings and departments that are not chopped up into many small spaces.
- The selling process has been re-engineered to emphasize the concept of “Optimum Selling.” Optimum Selling empowers sales associates to serve customers anywhere in a store, and is enabled by removing the architectural and visual barriers between departments.
- Optimum Selling allows any sales associate to fully dress and accessorize a customer, thereby offering the greatest customer convenience and service.
- To accomplish these standards, stores will have uncompromised space on each selling floor that respects the basic requirement of customer circulation and, at the same time, permits the development of each merchandise classification as to selling area, fitting rooms and adjacent stockrooms.

In terms of physical store arrangement, Neiman Marcus’ store planning and design foundations that support the Merchandising Standards can be grouped into five criteria, which are:

- “Vertical Transportation,” referring to the immediate visual and physical access that customers have to the selling areas because of large amounts of floor space at the elevator/escalator/stairs point of arrival.
- “Unobstructed Selling Floor - Merchandise Concept Groupings,” referring to the customer experience of an unobstructed selling floor with clear sight lines throughout store, allowing for the groupings of key merchandise classifications together on one floor to maximize customer convenience and sales revenues.
- “Configuration of Selling Space,” referring to the removal of traditional architectural and design barriers between departments, so that the entire selling floor becomes a merchandising palate in which selling spaces are configured by logically consistent merchandising classifications, each with their own adjacent stock, fitting rooms and staffing functions.
- “Behind the Scenes Areas,” referring to the stock areas and fitting rooms adjacent to the sales area that furnish customers with fast, reliable and personalized service.
- “Ceiling Heights,” referring to the feeling of spaciousness present in all Neiman Marcus stores due to the generous ceiling heights (generally 14 to 16 feet for the first floor and 12 feet for the remaining floors).

In order to implement the Neiman Marcus Merchandising Standards, the Project objectives require constructing the horizontal extension in such a manner that the extension and the existing Neiman Marcus store building can function, both physically and operationally, as a single, integrated retail store, rather than as two separate stores. Although some other retailers have established separate men’s stores, this approach is not feasible in the Neiman Marcus model. First, a two-store approach requires

redundant facilities (e.g., loading docks, elevators, etc.) that waste valuable selling floor space. Second, because much of the men's department shopping is by women who are visiting the women's departments, separating these departments into two stores would reduce, if not eliminate, this cross-selling opportunity. Third, the 125-129 Geary Street building is too large for just the men's department, so the building would not be fully utilized (unless other departments more logically linked to the women's departments were moved there). Fourth, in Neiman Marcus' experience, sales proceeds are dramatically reduced in departments that are split vertically on multiple floors of a building. The Neiman Marcus Group, parent company of Bergdorf Goodman and Neiman Marcus stores, experimented both with this vertical men's department approach and a separate building in its Bergdorf Goodman stores with unsatisfactory results. It is for these reasons that Neiman Marcus rejected another free standing location in Union Square several years ago. In fact, Neiman Marcus does not have a single stand-alone men's store and has only one vertically split (two-level) men's department (in its Chicago location, where floor plates are so constrained as to require the vertical split). The two-store, multi-floor men's approach therefore does not work for Neiman Marcus.

In addition, Neiman Marcus has additional objectives for the exterior design of the Project, including a desire to enliven the street facade, particularly at the eastern end of the Geary Street facade; to increase the "transparency" of the existing store building, which currently consists primarily of large expanses of solid wall with relatively little glazing that does not allow for clear views into the store from the outside; and to increase the transparency of and natural light in the horizontal extension. Also, as a matter of corporate policy, Neiman Marcus' objectives include constructing a horizontal extension that meets current code requirements for new construction for seismic safety, as opposed to the lesser requirements of the San Francisco Unreinforced Masonry Building (UMB) Ordinance (see p. 34). In addition, Neiman Marcus' objectives include enhancing the code compliance of the existing Neiman Marcus store building.

C. PROJECT APPROVAL REQUIREMENTS AND GENERAL PLAN POLICIES

This EIR will undergo a public comment period as noted on the cover, including a public hearing before the Planning Commission on the Draft EIR. The Landmarks Preservation Advisory Board (LPAB) may also provide written comments on the Draft EIR, following a hearing by the Board to develop its comment letter. Following the public comment period, responses to written and oral comments will be prepared and published in a Draft Summary of Comments and Responses document. The Draft EIR will be revised as appropriate and, with the Draft Summary of Comments and Responses, presented to the Planning Commission for certification as to accuracy, objectivity, and completeness. No approvals or permits may be issued before the Final EIR is certified.

APPROVALS

Section 309 of the Planning Code, Permit Review in C-3 Districts, governs the review of project authorization and building and site permit applications in the C-3 Districts. The Project would require

review and approval at a public hearing by the City Planning Commission under Section 309 because the proposed addition would exceed 50,000 gross square feet and 75 feet in height, and because the Project sponsor seeks exceptions, pursuant to Section 309, to the following Code sections: Exceptions to Height Limits in 80-130-F Height and Bulk Districts, because the Project would add height that exceeds the base permitted height of 80 feet (Section 263.8);⁴ Bulk Limits, because, above a height of 80 feet, the Project would add bulk that exceeds the maximum permitted length of 100 feet and diagonal dimension of 140 feet (Section 270 and 272);⁵ Sunlight Access to Public Sidewalks in C-3 Districts, because, above 65 feet in height, the horizontal extension would not be set back such that it would avoid penetration of a sun angle of 50 degrees (Section 146); and Required Off-Street Freight Loading and Service Vehicle Requirements in C-3 and South of Market Districts, because the Project would not meet the Code requirement for off-street freight loading spaces (Section 152.1, as permitted under Section 161(i)).⁶ Section 309 also permits the imposition of certain conditions in regard to such matters as a project's siting and design; view, shadow and wind characteristics; parking, traffic and transit effects; energy consumption; pedestrian environment; and other matters.

Demolition of the 125-129 Geary Street building and alteration of the existing Neiman Marcus store building would each require Planning Commission authorization under Article 11 of the Planning Code, "Preservation of Buildings and Districts of Architectural, Historical, and Aesthetic Importance in the C-3 Districts." The demolition of 125-129 Geary Street would be subject to approval under Section 1112.2, while the Permit to Alter the existing Neiman Marcus store building would be subject to approval under Sections 1111-1111.6 (Permit to Alter). The Project would also be subject to Planning Code Section 295 (shadow on certain public open spaces) and, as noted, Section 146 (sunlight on public sidewalks in the C-3 districts). Shadow effects related to both Code sections are discussed in the Initial Study, Appendix A, p. A.19.

The proposed lot merger would require a Parcel Map for merger from the Department of Public Works. The Project would require a site permit, which would require review and approval by the Planning Department, the Department of Building Inspection, the Department of Public Works, and the Fire Department.

Environmental plans and policies, like the Bay Area '97 *Clean Air Plan*, directly address physical environmental issues and/or contain standards or targets that must be met in order to preserve or improve specific components of the City's physical environment. The proposed Project would not obviously or substantially conflict with any such adopted environmental plan or policy.

⁴ The existing Neiman Marcus store building, which was constructed prior to the enactment of the applicable height limit, currently exceeds the maximum permitted base height of 80 feet.

⁵ The existing Neiman Marcus store building, which was constructed prior to the enactment of the applicable bulk limit, currently exceeds the maximum dimensions of 110 feet in length and 140 feet in diagonal dimension above 80 feet in height.

⁶ The existing Neiman Marcus store building was constructed prior to the enactment of the current freight loading requirement and does not meet the current requirement for a building of its size. See the discussion of freight loading demand on p. 51.

On November 4, 1986, the voters of San Francisco passed Proposition M, the Accountable Planning Initiative, which added Section 101.1 to the Planning Code and established eight Priority Policies. These policies are: preservation and enhancement of neighborhood-serving retail uses; protection of neighborhood character; preservation and enhancement of affordable housing; discouragement of commuter automobiles; protection of industrial and service sectors from commercial office development and enhancement of resident employment and business ownership; maximization of earthquake preparedness; landmark and historic building preservation; and protection of open space. Prior to issuing a permit for any project which requires an Initial Study under the California Environmental Quality Act (CEQA), or adopting any zoning ordinance or development agreement, the City is required to find that the proposed project is consistent with the Priority Policies. The motion for the Section 309 consideration will contain the analysis determining whether the Neiman Marcus Expansion Project is in conformance with the Priority Policies.

GENERAL PLAN

The San Francisco General Plan, which provides general policies and objectives to guide land use decisions, contains some policies that relate to physical environmental issues. In general, potential conflicts with the General Plan are considered by the decision-makers (normally the Planning Commission) independently of the environmental review process, as part of the decision to approve, modify or disapprove a proposed project. Any potential conflict not identified here could be considered in that context, and would not alter the physical environmental effects of the proposed Project. The Planning Commission would review the Project in the context of applicable objectives and policies of the General Plan. Some of the key objectives and policies are noted here.

DOWNTOWN PLAN

- Objective 1, Policy 1, to “Encourage development which produces substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences which cannot be mitigated.”
- Objective 3, to “Improve Downtown San Francisco’s position as the region’s prime location for specialized retail trade.”
- Objective 3, Policy 1, to “Maintain high quality specialty retail shopping facilities in the retail core.”
- Objective 12, to “Conserve resources that provide continuity with San Francisco’s past.”
- Objective 12, Policy 1, to “Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.”
- Objective 12, Policy 3, to “Design new buildings to respect the character of older development nearby.”

- Objective 13, Policy 1, to “Relate the height of buildings to important attributes of the city pattern and to the height and character of existing and proposed development.”
- Objective 14, Policy 1, to “Promote building forms that will maximize the sun access to open spaces and other public areas.”
- Objective 14, Policy 2, to “Promote building forms that will minimize the creation of surface winds near the base of buildings.”
- Objective 15, Policy 1, to “Ensure that new facades relate harmoniously with nearby facade patterns.”
- Objective 15, Policy 2, to “Assure that new buildings contribute to the visual unity of the city.”
- Objective 15, Policy 3, to “Encourage more variation in building facades and greater harmony with older buildings through use of architectural embellishments and bay or recessed windows.”
- Objective 16, Policy 1, to “Conserve the traditional street to building relationship that characterizes downtown San Francisco.”
- Objective 16, Policy 2, to “Provide setbacks above a building base to maintain the continuity of the predominant streetwalls along the street.”
- Objective 16, Policy 3, to “Maintain and enhance the traditional downtown street pattern of projecting cornices on smaller buildings and projecting belt courses on taller buildings.”
- Objective 16, Policy 4, to “Use designs and materials and include activities at the ground floor to create pedestrian interest.”
- Objective 16, Policy 5, to “Encourage the incorporation of publicly visible art works in new private development and in various public spaces downtown.”
- Objective 21, Policy 1, to “Provide off-street facilities for freight loading and service vehicles on the site of new buildings sufficient to meet the demands generated by the intended uses. Seek opportunities to create new off-street loading for existing buildings.”
- Objective 21, Policy 2, to “Discourage access to off-street freight loading and service vehicle facilities from transit preferential streets, or pedestrian-oriented street and alleys.”
- Objective 23, to “Reduce hazards to life safety and minimize property damage and economic dislocations resulting from future earthquakes.”
- Objective 23, Policy 2, to “Initiate orderly abatement of hazards from existing buildings and structures, while preserving the architectural and design character of important buildings.”

COMMERCE AND INDUSTRY ELEMENT

- Objective 1, to “Manage economic growth and change to ensure enhancement of the total city living and working environment.”
- Objective 1, Policy 1, to “Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.”
- Objective 1, Policy 2, to “Assure that all commercial and industrial uses meet minimum, reasonable performance standards.”
- Objective 1, Policy 3, to “Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.”
- Objective 2, to “Maintain and enhance a sound and diverse economic base and fiscal structure for the city.”
- Objective 2, Policy 1, to “Seek to retain existing commercial and industrial activity and to attract new such activity to the city.”
- Objective 3, Policy 1, to “Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.”
- Objective 3, Policy 3, to “Emphasize job training and retraining programs that will impart skills necessary for participation in the San Francisco labor market.”

URBAN DESIGN ELEMENT

- Objective 1, Policy 3, to “Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.”
- Objective 2, Policy 4, to “Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.”
- Objective 2, Policy 6, to “Respect the character of older development nearby in the design of new buildings.”
- Objective 2, Policy 7, to “Recognize and protect outstanding and unique areas that contribute in an extraordinary degree to San Francisco’s visual form and character.”
- Objective 3, “Moderation of major new development to complement the city pattern, the resources to be conserved, and the neighborhood environment.”

- Objective 3, Policy 1, to “Promote harmony in the visual relationships and transitions between new and older buildings.”
- Objective 3, Policy 2, to “Avoid extreme contrasts in color, shape and other characteristics which will cause new buildings to stand out in excess of their public importance.”
- Objective 3, Policy 3, to “Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.”
- Objective 3, Policy 4, to “Promote building forms that will respect and improve the integrity of open spaces and other public areas.”
- Objective 3, Policy 5, to “Relate the height of buildings to important attributes of the city pattern and to the height and character of existing development.”
- Objective 3, Policy 6, to “Relate the bulk of buildings to the prevailing scale of development to avoid an overwhelming or dominating appearance in new construction.”

COMMUNITY SAFETY ELEMENT

- Policy 2.1, to “Assure that new construction meets current structural and life safety standards.”
- Policy 2.4, to “Continue the unreinforced masonry building program and the parapet program.”
- Policy 2.8, to “Preserve, consistent with life safety consideration, the architectural character of buildings and structures important to the unique visual image of San Francisco, and increase the likelihood that architecturally and historically valuable structures will survive future earthquakes.”

CHAPTER III

ENVIRONMENTAL SETTING AND IMPACTS

A. ZONING AND LAND USE

The Initial Study concluded that the Project would not have adverse land use impacts. Land use setting information is included in the EIR for informational purposes, to orient the reader.

Land uses on, adjacent to and near the Project site are a primarily retail, with upper-story office uses in many buildings. Union Square, the preeminent Downtown open space, is diagonally across the intersection of Geary and Stockton Streets from the site.

Immediately adjacent to the Project site on Stockton Street is the Macy's men's store; Macy's other departments are across Stockton Street, and also front on Geary Street, across from Union Square. At the southwest corner of Geary and Stockton Streets, across Stockton Street from the site, is the former I. Magnin store building, currently being redeveloped for retail uses. Adjacent to the site on Geary Street, at the corner of Grant Avenue, is a four-story building containing ground floor retail stores, with retail and offices above. Similar mixed office over retail uses exist across Geary Street from the Project site, and on Stockton Street and Post Street across from Union Square. A number of other large retail stores face Union Square, including Saks Fifth Avenue, Borders Books and Music, Niketown and a Levi's store, which is under construction, and there are hundreds more retail stores, both large and small, within a few blocks of the Project site. The St. Francis Hotel, on Powell Street (one block west of the site), faces Union Square, and many other hotels, both large and small, are nearby.

The Project, as an expansion of an existing retail store, would be compatible with existing on-site and nearby uses.

The Planning Code, which incorporates by reference the City Zoning Maps, governs land uses, densities and configuration of buildings within San Francisco. Permits to construct new buildings or to alter or demolish existing ones may not be issued unless the proposed project conforms to the Code or an exception is granted pursuant to provisions of the Code.

The Project site is within a C-3-R (Downtown Retail) Use District. The Planning Code states that the C-3-R District "is a regional center for comparison shopper retailing and direct consumer services. It covers a compact area with a distinctive urban character, consists of uses with cumulative customer attraction and compatibility, and is easily traversed by foot" (Section 210.3). Retail sales is a principal permitted use in the C-3-R district. The Project would be consistent with the C-3-R zoning of the site.

The Project site is within the 80-130-F Height and Bulk District (80-foot basic height limit, with exceptions for heights up to 130 feet provided there are no adverse shadow effects, the taller building provides an appropriate transition to adjacent buildings, and the height above 80 feet is set back from the street to maintain a continuity of street wall height; the “F” bulk limit indicates a maximum plan dimension of 110 feet and maximum diagonal dimension of 140 feet, above 80 feet in height). The Project would have a floor area ratio (FAR) of 6.0:1, which is the maximum basic FAR permitted in the C-3-R district, without transfer of development rights to the site from another location. Zoning in the Project vicinity is generally C-3-R, except that Union Square is in a P (Public) Use District. The Project vicinity is also within a 80-130-F height and bulk district.

As noted in Chapter II, Project Description, under Approvals, the Project would be subject to Section 309 of the Planning Code, Permit Review in C-3 Districts. The Project would require review and approval at a public hearing by the City Planning Commission under Section 309 because the proposed addition would exceed 50,000 gross square feet and 75 feet in height, and because the sponsor seeks various exceptions, pursuant to Section 309 (see Section III.C, Project Approval Requirements and General Plan Policies, p. 24).

B. HISTORIC ARCHITECTURAL RESOURCES

SETTING

RATING BUILDINGS OF ARCHITECTURAL AND HISTORIC IMPORTANCE

The Downtown Plan and Planning Code

The Project site is in the area covered by the Downtown Plan, which is an area plan within the San Francisco General Plan. Article 11 of the Planning Code, which addresses preservation of buildings and districts of architectural, historical, and aesthetic importance, classifies buildings in the C-3 Zoning Districts (generally, Downtown) within four Categories, I through IV, as established in the Downtown Plan. The Downtown Plan identified the most important buildings, called “Significant Buildings,” as Category I and Category II buildings. Under the Downtown Plan and Article 11, these structures are Buildings of Individual Importance, are at least 40 years old, and are rated Excellent in Architectural Design or Very Good in both Architectural Design and Relationship to the Environment, with the difference between Category I and Category II being in the extent of alteration allowed. The Downtown Plan identified a second tier of structures, called “Contributory Buildings,” as Category III and Category IV buildings. Under the Downtown Plan and Article 11, among Contributory Buildings, Category III buildings are Buildings of Individual Importance, but of lesser architectural and/or contextual merit than Category I and II buildings, are at least 40 years old, and are located outside six conservation districts designated in Article 11 (see below, p. 35). Category IV buildings are located within conservation districts, are at least 40 years old, may be Buildings of Individual Importance or Buildings of Contextual Importance, and are of lesser architectural and/or contextual merit than

Category I and II buildings. All remaining Downtown buildings are Unrated, Category V. The Downtown Plan designations were adopted after noticed public hearings, and a procedure for reconsideration was included in Article 11.

The Downtown Plan calls for preservation of Category I and II buildings and encourages, but does not require, preservation of Category III and IV buildings. To this end, one of the primary tools employed in the Planning Code is the Transfer of Development Rights, which allows a property owner of a building on an approved preservation lot to transfer to another site (the development lot) the allowable development envelope under the Planning Code that is not fully occupied by the building to be preserved. Article 11 of the Planning Code, in general, prohibits demolition of Category I and II buildings (and Category III and IV buildings from which development rights have been transferred) unless it can be demonstrated that the buildings have no substantial market value or reasonable use, after taking into account costs of rehabilitation and any development rights transferred. Demolition of Category III and IV buildings from which no development rights have been transferred is generally permitted under Article 11. Transfer of development rights is not proposed as part of the Project.

The Downtown Plan architectural survey assigned each building a numerical score for 13 categories in four headings that are based on criteria used earlier by San Francisco Architectural Heritage (“Heritage”) in its survey of Downtown buildings (see below). The Downtown Plan survey also collected planning data such as zoning and floor-area ratio and submitted the information to a five-member review committee that assigned each building to one of the five categories. The existing 125-129 Geary Street building is designated Category IV - Contributory Building, and no development rights have been transferred from the structure.

The 125-129 Geary Street building scored 44 points in the Downtown Plan survey, which is at the uppermost end of the 20 to 44 point range for “Contextual Importance.” The building was rated Very Good in style, construction, architect, age, design quality, design integrity, and continuity (relationship to the environment). It was rated Good for association with historical patterns of development, and was rated fair/poor in regard to design interior, association with historical persons, association with historical events, setting, and landmark. If the 125-129 Geary Street building had scored 45 points, it would have been deemed a building of “Individual Importance” and thus, in light of its “Very Good” ratings for Architectural Design and Relationship to the Environment, would have been labeled as a Category I (Significant) Building.

The 125-129 Geary Street building is not identified in Article 10 of the Planning Code as a City Landmark.

Heritage Survey

As noted, Heritage previously surveyed downtown structures and, in 1979, published the results in the book *Splendid Survivors*. The Heritage survey employed 13 rating categories in four headings:

architecture, history, environment and integrity;⁷ as noted above, these same categories were later adopted for the survey conducted in the development of San Francisco's Downtown Plan.

The particular form of the Heritage survey was based on a model put forth by Harold Kalman in his book *The Evaluation of Historic Buildings, A Manual*, published by the Canadian government in 1978. Summary ratings from "A" to "D" were assigned to each building on the basis of evaluation in the 13 rating categories: "A"-rated buildings are of Highest Importance, "B"-rated buildings are of Major Importance, "C"-rated buildings are of Contextual Importance, and "D"-rated buildings are of Minor or No Importance. Buildings not rated by Heritage were those that have been built or suffered insensitive exterior remodelings since 1945. The 125-129 Geary Street building was rated "C" - Contextual Importance in *Splendid Survivors*. The full *Splendid Survivors* description of "C"-rated buildings is as follows:

- C. Contextual Importance. Buildings which are distinguished by their scale, materials, compositional treatment, cornice and other features. They provide the setting for more important buildings and they add visual richness and character to the downtown area. Many C-group buildings may be eligible for the National Register as part of historic districts.

1976 Citywide Survey

- Between 1974 and 1976, the San Francisco Planning Department conducted a citywide survey of architecturally significant⁸ buildings, rating buildings from a low "0" to a high of "5." The inventory assessed the architectural significance of the surveyed structures from the standpoint of overall design and particular design features. Both contemporary and older buildings were included, but historical associations were not considered. Each building was given two numerical ratings, one for architectural quality and one for overall architectural significance, urban design context, and environment significance. (The latter rating is most commonly referred to.) The ratings ranged from a low of "0" to a high of "5." The architectural survey resulted in a listing of the best 10 percent of San Francisco's buildings. In the estimation of the inventory participants, buildings rated "3" or higher represent approximately the best two percent of the City's architecture. The 125-129 Geary Street building was rated "2" in the 1976 citywide survey.

State Office of Historic Preservation Listing

The 125-129 Geary Street building is not listed in the National Register of Historic Places or the California Register of Historical Resources.

In its statewide database of historical resources, the State Office of Historic Preservation (OHP) lists the 125-129 Geary Street building as a "3S," meaning the building appears eligible for listing in the National

⁷ The 13 categories are: Architecture (Style, Construction, Age, Architect, Design, Interior); History (Person, Event, Patterns); Environment (Continuity, Setting, Landmark); and Integrity.

⁸ This use of the word significant in the context of historic architectural resources is to be differentiated from its use under CEQA wherein it denotes an effect that constitutes a substantial adverse change in the environment. Significant, when used in reference to historic architectural resources, denotes a resource's importance.

Register of Historic Places as a separate property. Information in the state database indicates that the 3S rating is based on the Heritage survey, described above. However, the rating systems are not directly comparable, since Heritage rated the building as being of “contextual importance,” while OHP apparently granted the building higher status as appearing eligible for the National Register by itself.⁹

The existing Neiman Marcus store building, constructed in 1979-81, is not listed in the state database. It is not rated as Significant or Contributory in Article 11, and is therefore a Category V (Unrated) building. The existing Neiman Marcus store building was not constructed at the time of the 1976 Citywide survey or the Heritage survey, and is therefore not included in those surveys. (See p. 40 for a discussion of prior development on the Neiman Marcus store site.)

UNREINFORCED MASONRY BUILDING ORDINANCE

In 1993, the City adopted the Unreinforced Masonry Building (UMB) Seismic Retrofit Program with the primary goal of reducing earthquake-related life safety hazards associated with the approximately 2,100 UMBs in San Francisco. Buildings strengthened according to the UMB Ordinance are intended to avoid or substantially reduce loss of life and serious injury to occupants due to structural failure in an earthquake, but may not fully comply with current codes for new construction. As a result, even if brought into compliance with the UMB Ordinance, these buildings are nonetheless expected to sustain damage because strengthening in accordance with the UMB Ordinance does not result in structural integrity akin to that of new construction.

Beyond life safety protection, among the other goals of the UMB retrofit program is protection and retention of existing UMBs with architectural merit. The program includes adoption of Architectural Guidelines for retrofit of UMBs. The Planning Code expressly recognizes these guidelines in Section 1111.1, which declares that an alteration of a Significant or Contributory Building under Article 11, or of a building in a conservation district, shall not be considered a Major Alteration if:

The sole purpose and effect of the alteration is to comply with the UMB Seismic Retrofit Ordinances and the Zoning Administrator determines that the proposed work complies with the UMB Retrofit Architectural Design Guidelines. . . .

The San Francisco Department of Building Inspection (DBI) has compiled a list of approximately 2,070 UMBs in the City. Of these, about 1,650 are subject to the UMB Ordinance, which requires that these buildings be seismically strengthened by a deadline (from 1997 to 2006) that is based on the “risk level” to which each building is assigned, or be demolished. Of the 1,650 buildings, about 410 have been

⁹ Based on conversations with current and former Heritage staff, it appears that the translation of the Heritage ratings into the OHP database, which required the completion of State Historic Resources Inventory forms (DPR Form 523) occurred as a separate step after the completion of the Heritage inventory. Based on a partial review of the OHP database for San Francisco and *Splendid Survivors*, the Heritage publication of its downtown survey, it further appears that many C-rated buildings within areas identified in the Heritage survey as potential National Register-eligible historic districts were included in the OHP inventory with ratings of 3S, “appears eligible for listing in the National Register as a separate property.” Further, the Heritage ratings of “A” through “D” are not comparable to the more complex National Register rating system used in the OHP inventory, which ranges from a high of “1” to a low of “7,” with alphabetical suffixes.

upgraded and another 335 have been granted permits. Upgrading plans for about 130 additional buildings are under review by DBI. Fifteen buildings have received extensions of time for compliance. About 750 UMBs await action under the ordinance.¹⁰ About 55 buildings have been demolished.

The 125-129 Geary Street building falls within Risk Level 3, meaning that retrofit must be completed by February 15, 2004, or the building must be demolished.

Kearny-Market-Mason-Sutter Conservation District

The Downtown Plan, an area plan in the San Francisco General Plan, identified areas of Downtown as having concentrations of buildings worthy of particular recognition as districts.

Certain sections of downtown have concentrations of buildings that together create geographic areas of unique quality. In these areas, buildings of a somewhat lesser quality than those required to be retained take on an increased importance. These buildings help create a setting that reinforces and complements the qualities of the more significant structures in the area, and their own attributes are more apparent and appreciated. (Downtown Plan, p. II.1.25)

The Project site is within the Kearny-Market-Mason-Sutter Conservation District, one of six such districts defined under Article 11 of the Planning Code. Article 11 defines conservation districts as areas containing “substantial concentrations of buildings that together create subareas of special architectural and aesthetic importance. Such areas shall contain substantial concentrations of Significant and Contributory Buildings and possess substantial overall architectural, aesthetic or historic qualities justifying additional controls in order to protect and promote those qualities” (Planning Code, Sec. 1103). There is no specified Planning Code criterion for the minimum number or percentage of rated buildings in a conservation district. The designation as a conservation district generally does not restrict uses in buildings within a district; it does, however, impose certain restrictions on a number of changes such as alterations, demolitions, and signage.

The Kearny-Market-Mason-Sutter Conservation District, with 324 buildings at the time of its creation, including 114 Significant (Category I or II) and 140 Contributory (Category IV) structures, is far larger than the City’s other five conservation districts, which contain an average of fewer than 25 structures, about three-quarters of which are Contributory. Since its designation in 1985, the Kearny-Market-Mason-Sutter Conservation District has generally remained intact, having lost no Significant buildings and only two Contributory buildings, meaning that some 78 percent (252 of 322) of the existing remaining buildings are Significant or Contributory.

The existing 125-129 Geary Street building is designated a Category IV (Contributory) building within the Conservation District under Article 11 of the Planning Code. The building adjacent on the east to the

¹⁰ The remaining 369 UMBs are exempt from the ordinance for varying reasons: 108 were strengthened prior to adoption of the ordinance; 65 are residential buildings of fewer than five units; 15 are subject to the separate provisions of the Field Act, which governs public school facilities; and 181 buildings on the Department of Building Inspection list of UMBs have been

Project site, 101 Geary Street, is a Category IV building, as are two of the other buildings, facing Grant Avenue, that are adjacent to the 125-129 Geary Street building. There are three Category I buildings on the same city block, at or near the corner of Grant Avenue and O'Farrell Street. Across Geary Street from the Project site, of the eight buildings between Grant Avenue and the Unrated (Category V) new building on the northeast corner of Geary and Stockton Streets, four are Category I structures, and the other four are Category IV buildings. Other Unrated buildings in the immediate vicinity include the existing Neiman Marcus store building, the Macy's men's store, and a building at 45 Grant Avenue, as well as the main Macy's store buildings and the former I. Magnin building across Stockton Street from the existing Neiman Marcus store building (see Figure 5).

The Kearny-Market-Mason-Sutter Conservation District covers all or part of 36 city blocks, with the retail area around Union Square as its focus. Its name notwithstanding, the District extends west as far as Shannon Alley (between Jones and Taylor Streets), as far north as Pine Street, east to the rear lot lines of some parcels on the east side of Kearny Street, and south across Market Street to Jessie Street to encompass the former Emporium department store building.

Planning Code Article 11, Appendix E, describes the Kearny-Market-Mason-Sutter Conservation District. "The pattern of development is one of small-scaled, light-colored buildings predominantly four to eight stories in height. The height and scale provide for a streetscape which is attractive to the pedestrian because of the comfortable scale and sidewalks. This dense area is the heart of San Francisco's retail and tourist sectors, containing a concentration of fine shops, department stores, theaters, hotels, and restaurants. As such, it is one of the main attractions to tourists from around the country and world, as well as the prime retail district in the Bay Area. The District is further defined by the location of Union Square at its heart. This square is, in many ways, the premier public open space in the City, as well as a primary public forum" (Appendix E, Sec. 5(b)).

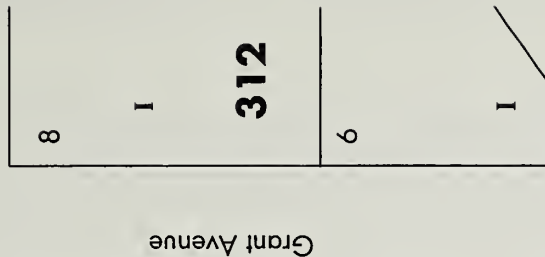
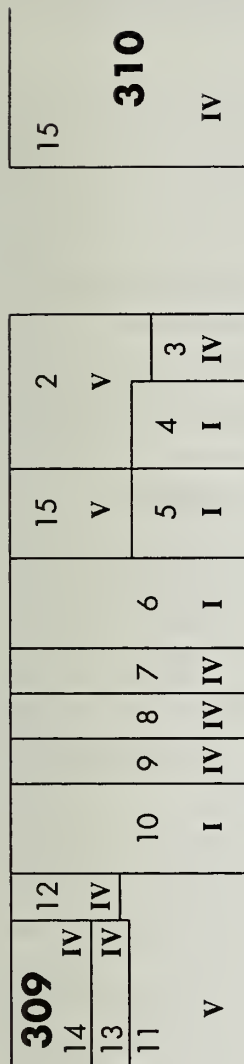
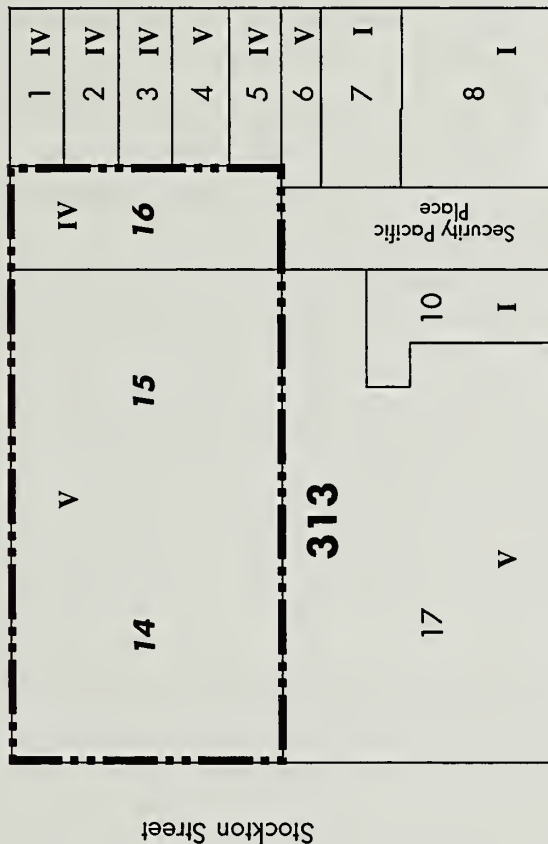
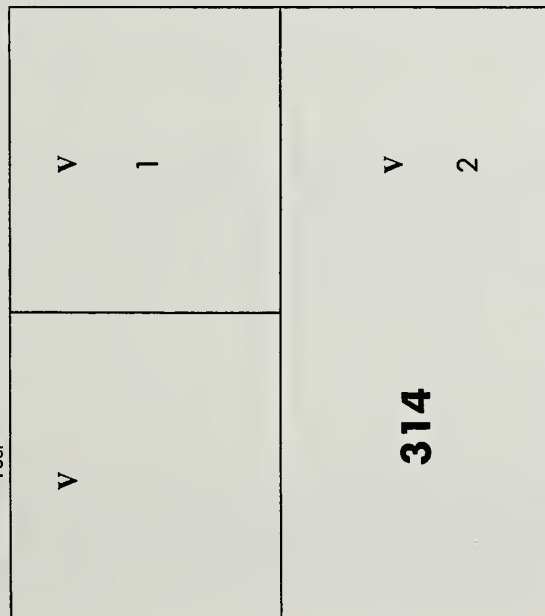
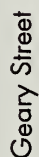
The District is characterized by buildings of small to medium scale, typically in two- or three-part vertical composition,¹¹ with the massing of structures commonly a simple vertically oriented rectangle with a width-to-height ratio of between 1:2 and 1:4. The typical differentiation of the retail base from the remainder of the building gives the District "an intimate scale at the street" (Appendix E, Sec. 6(b)).

- Many building facades are divided into bays^{11a} – as is the case with the two bays of 125-129 Geary Street – with widths of from 20 to 30 feet. Building heights typically range from four to eight stories, although there are a number of taller structures, and lots are typically 40 to 80 feet wide. (The 125-129 Geary Street lot is 52.5 feet in width.) Facade materials include terra cotta, brick, stone, and stucco, with some painted wood and metal window sash and ornament, in light or medium earth tone colors that include white, cream, buff, yellow, and brown. Where there is a supporting structure, masonry is also used to express building mass and weight. Building styles and ornamentation draw on a number of historical

determined to consist of brick infill within steel or concrete frame walls. Information current as of January 31, 1999, as provided by Major & UMB Plan Check Division, San Francisco Department of Building Inspection.

¹¹ **Three-part vertical composition** means a base, a shaft (middle portion, generally several stories), and a capital (the top-most portion, typically the upper story plus cornice and parapet. A **two-part vertical composition** includes a base and upper portion only, as in the case of 125-129 Geary Street.

● ^{11a} A **bay** is a vertical element of the composition of a building wall contained between two projecting vertical bands such as piers, columns, or pilasters (see footnote 12, p. 38).



Market Street

O'Farrell Street

313

Assessor's Block

Project Site (AB 313, Lots 14, 15, & 16)

17 Lot Number

I Planning Code Article 11 Rating
(I, II- Significant; III, IV- Contributory;
V- Unrated)

SOURCE: Environmental Science Associates

98.813E: *Neiman Marcus Expansion (ESA 980423)* ■

Figure 5
Architectural Resources in the
Project Vicinity

sources, primarily Classical and Renaissance, with Gothic and Romanesque detailing also used. Details include arches, columns, pilasters, projecting cornices, belt courses, lintels and pediments, and decorated spandrels¹² (Appendix E, Sec. 6(d)).

Buildings in the Kearny-Market-Mason-Sutter Conservation District feature similarities in style and structural technology, because nearly all were built in the 20 years immediately following the 1906 earthquake and fire, and most were constructed over a period of less than 10 years (Appendix E, Sec. 5(c)). The District contains 11 City Landmarks, all but one of which are also Category I buildings. (The exception is the Frank Lloyd Wright-designed V.C. Morris Building at 140 Maiden Lane, which was too new to be designated Significant or Contributory when Article 11 was adopted.) In addition, three buildings in the District are individually listed in the National Register of Historic Places: the Geary Theater (415 Geary Street; City Landmark No. 82), the former Hale Brothers Department Store (901 Market Street), and the Hallidie Building (130 Sutter Street; City Landmark No. 37); each of these is also a Category I building. Around Union Square, the “heart” of the District, new construction since the District was created has somewhat altered the character of this subarea. Of 19 buildings facing Union Square, nearly half are modern, including the existing Neiman Marcus store building, and several are larger than the typical buildings in the District.

San Francisco’s best-known retail stores were located on Kearny Street in the 1870s and 1880s. Beginning in the 1880s, major department stores, including the Emporium and Hale Brothers, opened on Market Street. Union Square became a major retail center when the City of Paris store moved to the corner of Geary and Stockton Streets in 1896, where the Neiman Marcus store building now stands. The Union Square / Lower Grant Avenue area has been the City’s premier retail district since the 1920s (Appendix E, Sec. 5(a)). Also within the Kearny-Market-Mason-Sutter Conservation District is the City’s largest concentration of hotels, many of which moved to the area west of Union Square after the 1906 earthquake and fire, led by the St. Francis Hotel, which actually preceded the earthquake by two years.

PROJECT SITE

A Historic Architectural Evaluation was prepared for the 125-129 Geary Street building and information on the history and architecture of that building is excerpted here.¹³ The reader may obtain additional information by reviewing the complete Historic Architectural Evaluation at the Planning Department.

¹² A **pilaster** is a rectangular column that projects outward slightly from the building facade; a **belt course** is a projecting horizontal line such as that which separates a building base and shaft; a **lintel** is a horizontal beam above a window or door that supports the structure above; and a **pediment** is a triangular element above a window or door.

¹³ C. David Robinson Architects, *Historic Architectural Evaluation, 125-129 Geary Street*, January 25, 1999. This report is available for public review in Project File No. 98.813E at the San Francisco Planning Department, 1660 Mission Street, San Francisco.

125-129 Geary Street Building

- The existing 125-129 Geary Street building, originally called the Clayburgh Building, was built in 1908 as part of the downtown rebuilding boom in the aftermath of the 1906 earthquake and fire. Constructed of brick with terra cotta ornamentation on the principal Geary Street facade, the 125-129 Geary Street building is composed of two horizontal bays above a full-width base. The bays, with large window openings, are framed by three piers, each topped by an elaborate medallion featuring a bearded human face beneath a heavy cowl or covering of sorts. Above each medallion is a pair of corbels (large brackets) that enframe a series of modillions (small brackets), all of which support a heavy, widely projecting cornice that is readily apparent in views from up or down Geary Street. Aside from the terra cotta ornamentation, the Geary Street facade is primarily brick, painted a cream color. A sheet metal parapet, part of the original design, was removed in an earlier remodeling. The original Chicago-style (three-part) windows remain at the second floor and, in some openings, on the fourth floor, while some of the fourth floor windows and all of those at the third level have been replaced by newer aluminum windows. There is ornate, darkly colored terra cotta scroll work in the spandrels¹⁴ between the floors of upper-story windows that provides stark contrast with the light color palate of the rest of the facade. Leaded glass transom windows were removed in an earlier alteration. The retail storefront at street level has been remodeled numerous times and retains little of its original design or materials, save the ornamented piers that divide the storefront into multiple spaces and the dentilated¹⁵ cornice of the belt course separating the base from the upper portion of the building. The lower portions of the storefront piers are marble from a remodeling.

The building also includes a rear facade, facing Security Pacific Place (originally Bagley Street; later Savings Union Place). This facade is unornamented, constructed of common red brick, and includes a number of window openings and a pedestrian doorway. None of the windows or doors on this facade are original.

The floors of the 125-129 Geary Street building are constructed of a wooden joist system supported by iron columns on the lower floors and wood posts on the upper floors. Ceiling heights range from 12 feet on the ground floor to 8 to 9 feet at the upper stories.

The ground floor of the 125-129 Geary Street building was originally occupied by Koenig & Collins, a women's clothing store, with offices and other commercial establishments in "lofts" on the upper floors. The structure has remained in similar use throughout its history. Other occupants have included other clothing and shoe stores, jewelry stores (including the remaining existing retail store), a book store, and a restaurant.

¹⁴ A **spandrel** is the solid or opaque section of exterior wall between the windows of two floors, as in the 125-129 Geary Street building; also, the area outside an arch or between two arches in an arcade.

¹⁵ **Dentilated** means employing a pattern using dentils, which are regularly spaced, generally square or rectangular blocks that appear tooth-like in pattern.

The architects who designed the 125-129 Geary Street building were Salfield & Kohlberg, whose most notable work includes two San Francisco landmarks, the Sentinel Building (now Columbus Tower) of 1906-1907, at Kearny Street and Columbus Avenue (City Landmark No. 33), and the Edward Coleman house (1895), at 1701 Franklin Street at California (City Landmark No. 54). David Salfield, a native of Illinois, studied in Germany before coming to San Francisco in the 1880s. Herman Kohlberg, a native of Germany, also moved to San Francisco in the 1880s. He and Salfield formed a partnership in 1887 that lasted until 1915.

The 1999 Historic Architectural Evaluation prepared by C. David Robinson Architects for the 125-129 Geary Street building (see footnote 13, p. 38) concluded that “the building’s articulated and scaled facade is its key historic architectural feature. Neither the interior nor the rear elevation are or were of particular architectural importance, and neither retains sufficient original fabric to be considered of historic value.” Although, based on its Heritage rating, the 125-129 Geary Street building has a rating of “3S” in the State Office of Historic Preservation database, meaning that the building appears eligible for listing in the National Register of Historic Places as a separate property, the 1999 Historic Architectural Evaluation stated of the building, “As its significance is solely related to its contributory status [within the Kearny-Market-Mason-Sutter Conservation District], and as its historic and architectural integrity are based on the facade alone, the building would most likely fail any attempt to . . . register it as . . . a City . . . landmark” or to individually list it on either the California Register of Historical Resources or the National Register of Historic Places.¹⁶

Figure 6, p. 41, shows the existing 125-129 Geary Street building in front and rear views, while Figure 7, p. 42, shows the building in its context on the 100 block of Geary Street, with a slightly larger four-story building to the east, at the corner of Geary Street and Grant Avenue, and the existing Neiman Marcus store building to the west.

Existing Neiman Marcus Store Building

Prior to construction of the existing Neiman Marcus store building, the portion of the site currently occupied by the building was the site of the City of Paris department store. The City of Paris, once one of San Francisco’s foremost dry goods stores, was founded in 1850 and moved to the Geary and Stockton Streets location in 1896, occupying the first two floors of the Spring Valley Water Company¹⁷ Building, which used the upper four floors as offices. The building was heavily damaged in the 1906 earthquake and fire. Following reconstruction of the building, including expansion of an earlier rotunda, the City of Paris store reoccupied the entire building in 1909, and later expanded into an adjacent structure to the east. Together, the two buildings occupied what is now the site of the existing Neiman Marcus store building. The City of Paris store closed in 1967. Liberty House briefly occupied the site in 1972-74, until it moved in to what is now the Macy’s men’s store next door. In 1979, Carter Hawley Hale Stores,

¹⁶ Hulbert, Mark, C. David Robinson Architects, memorandum, April 12, 1999. This memo is available for public review in Project File No. 98.813E at the San Francisco Planning Department, 1660 Mission Street, San Francisco.

¹⁷ One of the forerunners of the current San Francisco Water Department.



A. Front (Geary Street) Elevation



B. Rear (Security Pacific Place) Elevation

98.813E: *Neiman Marcus Expansion (ESA 980423)* ■

SOURCE: C. David Robinson Architects

Figure 6

Photographs of Existing
125-129 Geary Street Building



A. Looking West on Geary Street from Grant Avenue



B. Looking East on Geary Street from west of Stockton Street

SOURCE: C. David Robinson Architects

98.813E: *Neiman Marcus Expansion (ESA 980423)* ■

Figure 7

Views of Site

then Neiman Marcus' parent company, demolished the City of Paris building and the adjacent 133-157 Geary Street building to accommodate the new Neiman Marcus store building. As part of that Project, Neiman Marcus retained the former City of Paris building rotunda and installed it at the corner of Geary and Stockton Streets, inside the main entrance to the Neiman Marcus store.

Prior to demolition of the City of Paris building, the structure was designated State Historical Landmark No. 876, and was listed in the National Register of Historic Places. The National Register listing terminated with demolition of the building. However, the state landmark designation remains, and the site is now identified as "the site of" the former City of Paris building. The rotunda, however, does not retain any separate listing as a portion of a former landmark and National Register-listed property.¹⁸

IMPACTS

SIGNIFICANCE CRITERIA

CEQA Section 21084.1 states that "a project that may cause a substantial adverse change in the significance of an historical resource is a project that may have a significant effect on the environment." A "historical resource" is defined as one that is listed in, or determined eligible for listing in, the California Register of Historical Resources. In addition, a resource that (i) is identified as significant in a local register of historical resources, such as Article 10 and Article 11 of the San Francisco Planning Code, or (ii) is deemed significant due to its identification in an historical resources survey meeting the requirements of Public Resources Code Section 5024.1(g), is presumed to be historically significant unless a preponderance of evidence demonstrates otherwise. Finally, CEQA Section 21084.1 permits a lead agency to determine that a resource constitutes a historical resource even if the resource does not meet the foregoing criteria. A "substantial adverse change" is defined by CEQA Guidelines Section 15064.5 as "demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of an historical resource would be materially impaired."

IMPACT ASSESSMENT

The historic architectural resources impact assessment in this EIR is twofold. First, the impacts of the Project on the 125-129 Geary Street building itself must be considered. Second, the impacts of the Project on the Kearny-Market-Mason-Sutter Conservation District must be considered.

Impacts on the 125-129 Geary Street Building

As noted in the Historic Architectural Resources setting, the 125-129 Geary Street building has not formally been determined eligible for, or listed in, the California Register of Historical Resources and therefore is not automatically a historical resource under CEQA. In addition, although the 125-129

● ¹⁸ Howse, Cynthia, Historian, State Office of Historic Preservation, telephone conversation, January 22, 1999.

Geary Street building is identified in a local register of historical resources (*i.e.*, Article 11 of the Planning Code), it is not identified as significant (*i.e.*, of Individual Importance) in that register, but rather is identified as being of Contextual Importance and as a Category IV (Contributory) Building. Therefore, the listing of the building in Article 11 does not meet the CEQA criterion for presumption of a historical resource that is based on identification of a resource as significant in a local register. The building has been included in the state's database of historic resources, by virtue of its identification in the 1979 Heritage survey.

The Downtown Plan states with respect to Category IV buildings, such as the 125-129 Geary Street building, that "their importance is not so great as to justify a requirement that they be retained" (Downtown Plan, p. II.1.24). Moreover, as noted in the Setting, demolition of Category IV buildings from which no development rights have been transferred, as is the case with 125-129 Geary Street, is generally permitted under Article 11. Under Section 1112.2 of the Planning Code, an application for demolition of a Contributory Building in a conservation district shall be approved if a permit has been issued for a replacement structure, in accordance with Section 1113, which requires that new construction be compatible in scale and design with the conservation district. As noted above, because a Category IV building is identified as "Contributory," and demolition of Contributory Buildings is permitted under Article 11, it is not clear that listing as a Category IV building, in itself, would qualify the 125-129 Geary Street building as a historical resource under CEQA. It is clear, however, that the City is not precluded from also considering the 125-129 Geary Street building as significant for CEQA purposes despite the fact that it does not meet the standards for the automatic designation as, or presumption of, historical resources provided in CEQA Section 21084.1.¹⁹

As noted in the Setting, the building was awarded a numerical score of 44 in the Downtown Plan architectural survey. This tabulation was based on the building's rating of Very Good in seven of the 13 rating categories, Good in one other, and Fair/Poor in the remaining five. The building was also deemed Very Good in both Architectural Design and Continuity (Relationship to the Environment) and thus, had it achieved a higher rating in any one of the 13 categories, it would have met the criteria for designation as a Category I (Significant) Building. Furthermore, the 125-129 Geary Street building fits the prevailing development pattern within the Kearny-Market-Mason-Sutter Conservation District of "small-scaled, light-colored buildings predominantly four to eight stories in height" and its two-part vertical composition with differentiated base is consistent with the typical massing within the District, as is the building facade's division into two bays above the base. The book *Splendid Survivors*, which describes San Francisco's downtown architectural heritage and includes the results of the 1979 Heritage survey, describes the 125-129 Geary Street building as having "richly detailed Renaissance/Baroque ornamentation." In addition, the ornamentation near the cornice line is more detailed than on many other

¹⁹ Section 21084.1 states, "The fact that a resource is not listed in, or determined to be eligible for listing in, the California Register of Historical Resources, not included in a local register of historical resources, or not deemed significant pursuant to criteria set forth in subdivision (g) of Section 5024.1 shall not preclude a lead agency from determining whether the resource may be an historical resource for purposes of this section."

Category IV buildings. Modifications to the principal Geary Street facade have occurred, primarily involving the retail storefronts, removal of the cornice, and replacement of some upper-story windows.

Based on the foregoing, even though the 125-129 Geary Street building does not strictly meet the definition of an historical resource under CEQA Section 21084.1, in order to acknowledge the age, visual quality and detailing and lack of major modifications to the 125-129 Geary Street building, as well as its role in the Conservation District, and to provide for a conservative analysis, the City has concluded for purposes of this analysis, as permitted under CEQA Section 21084.1, that the 125-129 Geary Street building should be considered a historical resource under CEQA. As such, the demolition of the building would constitute a “substantial adverse change” that would be considered a significant adverse environmental effect. It should be noted that, under the City’s Unreinforced Masonry Building Ordinance, the building requires seismic upgrading or must be demolished, by 2004.

Impacts on the Kearny-Market-Mason-Sutter Conservation District

- The Kearny-Market-Mason Sutter Conservation District as a whole qualifies as a historical resource under CEQA because of its inclusion in a local register of historical resources (*i.e.*, Planning Code Article 11). Therefore, the question arises whether the demolition of the 125-129 Geary Street building and the construction of the horizontal extension (as well as the related changes to the exterior of the existing Neiman Marcus Store building) would have a significant impact on the Conservation District.

Demolition of 125-129 Geary Street Building

The loss of the 125-129 Geary Street building would not adversely affect the Kearny-Market-Mason Sutter Conservation District such that the significance of the Conservation District would be materially impaired. As stated in the Setting, the Conservation District covers all or parts of 36 city blocks. The District retains all of the 114 Significant (Category I or II) and all but two of the 140 Contributory (Category IV) structures that existed at the time of its designation in 1985; some 78 percent (252 of 322) of the existing remaining buildings are Significant or Contributory. As stated in the 1999 Historic Architectural Evaluation for the 125-129 Geary Street building (see footnote 13, p. 38):

The loss of [the] 125-129 Geary Street [building] would result in an incremental loss of historic fabric to downtown San Francisco. However, given the integrity and scale of this conservation district, along with the large number of designated historic buildings therein, it would be difficult to argue that the conservation district would be weakened by its loss.

In view of the above, the demolition of the 125-129 Geary Street building would not result in a significant effect on the Kearny-Market-Mason Sutter Conservation District.

Construction of Horizontal Extension/Exterior Changes to Existing Neiman Marcus Store Building

As stated in the Setting, the fact that nearly all of the buildings in the Kearny-Market-Mason Sutter Conservation District were built in the 20 years following the 1906 earthquake and fire gives these

buildings great similarity of style and structural technology. The Conservation District is characterized by buildings of small to medium scale, generally four to eight stories in height, and “an intimate scale at the street” owing to the retail bases being differentiated from the upper stories. Facades are finished in terra cotta, brick, stone, and stucco, with some painted wood and metal window sash and ornament, in light or medium colors, and the use of bays to visually divide facades into smaller units is common. Where there is a supporting structure, masonry is also used to express building mass and weight. Classical, Renaissance, Gothic, and Romanesque detailing is frequently employed.

As stated previously, new construction in a conservation district is required to be compatible in scale and design with the district (Planning Code Sec. 1113), as set forth in the applicable sections of the Article 11 appendix that describes each district. Further, major exterior alterations of Category V buildings, such as the existing Neiman Marcus store building, must be similarly compatible in scale and design with the district (Planning Code Sec. 1111.6(c)). For the Kearny-Market-Mason-Sutter Conservation District, “new construction should maintain [the District’s] essential character by relating to the prevailing height, mass, proportions, rhythm and composition of existing Significant and Contributory buildings. The height and massing of new buildings should not alter the traditional scale of existing buildings, streets and open spaces. In addition to the consideration of sunlight access for the street, an appropriate streetwall height is established by reference to the prevailing height of the buildings on the block and especially that of adjacent buildings” (Article 11, Appendix E, Sec. 7(b)(1)). This subsection also states that “a setback at streetwall height can permit additional height above the setback without breaking the continuity of the street wall.” Other guidelines recommend construction to the property line (without ground-floor setbacks), the use of bays and multiple entrances to visually break up large facades, and use of two- and three-part vertical compositions.

The Planning Code Article 11, Appendix E, guidelines recommend the continuation of traditional small-scale development by such means as use of detailing, continuity of bay widths and streetwall height, and the use of a street-level base. Window rhythm and proportion should also draw on existing Significant and Contributory buildings (Appendix E, Sec. 7(b)(2)). The use of exterior brick, stone, and concrete, generally in traditional light colors, is encouraged (Appendix E, Sec. 7(b)(3)), and ornamentation and detailing, including cornice lines and belt courses, should draw on surrounding buildings (Appendix E, Sec. 7(b)(4)).

The facade and architectural features of the horizontal extension are intended to be compatible with the identified architectural character of the Kearny-Market-Mason-Sutter Conservation District, including its scale, massing, materials and details. The extension would be fenestrated with a facade grid proportionately in keeping with that typical of the Conservation District. Relating to the District, the street facade would be set back at the 65 foot height (the fourth floor) and capped with a cornice element that would also serve as the balustrade for the balcony formed by the setback. The typical facade grid would continue at the street frontage as it steps back to the sixth floor.

The exterior of the newly constructed horizontal extension would be entirely glazed, with visible columns and beams, in a “curtain wall” design that would be reminiscent of early 20th century commercial architecture, including the City Landmark Hallidie Building and the smaller Bemiss Building on Sutter between Grant Avenue and Kearny Street. The design proposes to reuse, as interior ornamentation, the exterior cornice and medallions from the existing 125-129 Geary Street building. These architectural elements would be installed in the new 1½-story east entrance and would be visible through the glass storefront. The storefront and glazed wall of the horizontal extension would be transparent in order to communicate the indoor retail activity to the street.

The horizontal extension, while taller than the existing 125-129 Geary Street building, would be similar in street wall height, would include setbacks above the street wall, and would incorporate similar proportions in its principal Geary Street facade through the use of two bays of windows divided by vertical structural members. In contrast to the existing 125-129 Geary Street building, the horizontal extension would include a setback of about six feet at street level. This space would be occupied by an espresso bar/cafe, which could serve to continue the prevailing rhythm of property line development. A primary difference between the existing 125-129 Geary Street building and the proposed horizontal extension would be the spacing of interior floors, which in the new horizontal extension would align with the existing Neiman Marcus store building, in contrast to the floor levels in the 125-129 Geary Street building, which do not. In addition, the street level of the horizontal extension would be 1½ stories tall because of the difference in grade between the main entrance to the existing Neiman Marcus store building and the 125-129 Geary Street site. These changes would not necessarily be apparent, however, particularly since the design of the proposed horizontal extension would retain, on the street wall, the appearance of three stories above the ground floor. The facade at the new 1½-story east entrance lobby would be set back from the street wall.

Changes to the existing Neiman Marcus store building would include replacement of the glass at the main Geary/Stockton Streets entrance and in the fourth-floor skylight with glazing that would be more horizontally oriented, again to enhance compatibility with the Conservation District and to make the City of Paris rotunda more visible from the street. Similar glazing would replace the existing eastern pedestrian entrance on Geary Street and the adjacent opening to the east. The corner glass enclosure at the Geary/Stockton Street entrance would also be squared, more in keeping with nearby intersections. In addition, the Project sponsor proposes to sandblast the existing harlequin (checkerboard) granite facades of the Neiman Marcus store building to diminish the contrast between colors in the harlequin pattern. The new partial sixth story would be set back from the existing street wall so as to not be visible from below.

In view of the above, the design of the proposed new horizontal extension and the exterior changes to the existing Neiman Marcus store building would generally be consistent with the direction in Planning Code Section 1113, and the new construction/alterations proposed by the Project would not result in a significant effect on the Kearny-Market-Mason-Sutter Conservation District.

Cumulative Impacts

The Planning Department is reviewing an application for another project that would demolish a Category IV building in the Kearny-Market-Mason-Sutter Conservation District, at 116-124 Maiden Lane (Case No. 98.833). Also under review is the proposed Yerba Buena Redevelopment Project Area Expansion / Emporium Site Development (Case No. 98.090E), which would demolish most of the Emporium Building on Market Street, a Category I structure in the Conservation District (although the principal Market Street facade of the building would be retained, as would its dome and a portion of the rotunda). As noted, the District retains most of its buildings and its character intact from the time it was created. As a result, the loss of these three buildings (including 125-129 Geary Street) would not have a significant effect on the Kearny-Market-Mason-Sutter Conservation District, given the great size of, and larger number of buildings within, the District.

C. TRAFFIC AND CIRCULATION

A transportation study was prepared for the Project and is summarized below.²⁰ If additional information is needed, the complete Transportation Study can be reviewed at the Planning Department.

SETTING

Within the Project vicinity, Sutter Street, Post Street, Geary Street, O'Farrell Street, Powell Street, Stockton Street, Kearny Street and Market Street are designated in the Transportation Element of the San Francisco General Plan as Transit Preferential Streets. On these streets, priority is given to transit vehicles over autos during commute and business hours on weekdays usually along curbside lanes. O'Farrell, Geary, Kearny, Bush and Pine Streets (the last just outside the study area) are designated in the Transportation Element as Major Arterials, which the General Plan defines as "cross-town thoroughfares whose primary function is to link districts within the City and to distribute traffic from and to the freeways." Grant Avenue and Market Street are designated as pedestrian-oriented vehicular streets on the Citywide Pedestrian Network in the Transportation Element, which provide inter-neighborhood connections. Sutter and Post Streets (Route 16), Stockton Street (Route 17, north of Post Street), and Market Street (Route 50) are designated as Citywide Bicycle Routes in the Transportation Element; these bicycle routes are Class III routes, meaning bicyclists and motorists share the roadway width. All intersections in the vicinity of the Project site are traffic signal controlled.

Streets serving the Project vicinity have two travel lanes, with many having a third lane for buses and right turns only. The east-west streets generally form one-way couplets, as do many of the north-south streets over portions of the study area, with the primary exception of Powell Street, which is two-way.

²⁰ Environmental Science Associates. *Neiman Marcus Expansion Project Transportation Study*, April 2, 1999. This report is available for public review in Project File No. 98.813E! at the San Francisco Planning Department, 1660 Mission Street, San Francisco.

Currently, stops for approximately 25 MUNI bus lines are within walking distance (considered one-quarter of a mile) of the Project. BART is a short walk from the site, at the Stockton Street entrance to the Powell station. Other transit services, including AC Transit, SamTrans, Golden Gate Transit, and Caltrain, are available via a connecting MUNI line.

Surveys of existing parking capacity and occupancy were taken in the area bounded by Bush, Kearny, Market and Powell Streets. There are approximately 5,000 parking spaces within the study area, with mid-afternoon weekday occupancy levels at about 92 percent. The two parking garages closest to the Neiman Marcus store (*i.e.*, the Union Square and Ellis-O’Farrell garages), which have parking rates geared to short-term parking, have about 2,200 spaces, with occupancy at about 84 percent during the weekday mid-afternoon period, while the Sutter-Stockton Garage has a weekday afternoon occupancy rate of approximately 98 percent. On-street parking in the Project area is effectively at capacity.

Based on field observations during the noon and p.m. peak 15-minute periods, pedestrian flows on the Geary Street and Stockton Street sidewalks alongside the Neiman Marcus store building are representative of “impeded” conditions or better, indicating that pedestrians generally have freedom to select the speed and direction of movement, with an absence of physical conflicts, but walking requires indirect interaction with other pedestrians. Pedestrian flows on the crosswalks at the Geary/Stockton Streets intersection were characterized in the *Macy’s Renovation Transportation Study* (Case No. 96.228!) as generally “impeded” during the p.m. peak 15-minute period; field observations conducted for this report confirm that characterization of pedestrian flow conditions remains valid.

IMPACTS

SIGNIFICANCE CRITERIA

City policy has been that a Project is considered to have a significant effect on the environment if it would cause a signalized intersection to deteriorate to an unacceptable level (*i.e.*, from LOS D or better to LOS E or F), interfere with existing transportation systems causing substantial alteration to circulation patterns or causing major traffic hazards, or contribute substantially to cumulative traffic increases that cause intersections that would otherwise operate at acceptable levels to deteriorate to unacceptable levels. The City has not formally adopted significance criteria for potential impacts related to transit, but City policy has been that a Project would have a significant effect if it would cause a substantial increase in transit demand that cannot be accommodated by existing or proposed transit capacity, resulting in unacceptable levels of transit service. Regarding parking, San Francisco General Plan policies emphasize the importance of public transit use and discourage the provision of facilities that encourage automobile use. Therefore, the creation of or increase in parking demand resulting from a proposed Project that cannot be met by existing or proposed parking facilities would not itself be considered a significant effect. The City has not adopted significance criteria for pedestrian or bicycle impacts. For this analysis, the Project would have a significant effect if it were to result in substantial pedestrian overcrowding, create hazardous conditions for pedestrians or bicyclists, or otherwise substantially

interfere with pedestrian and bicycle accessibility. Generally, construction-period transportation impacts would not be considered significant because they would be temporary.

IMPACT ANALYSIS

Travel Demand Analysis

The Project would generate about 5,920 net new person trips per day, with a total of about 550 net new person trips during the p.m. peak hour, of which about 85 would be vehicle trips,²¹ 90 would be transit trips, 240 would be walking trips, and the remainder, by other modes such as bicycle, motorcycle and taxi.²² Each of the three signalized study intersections (Geary / Grant, Geary / Stockton, and Stockton / O'Farrell Streets) currently operate at acceptable (LOS D or better) service levels during the p.m. peak hour. The operating conditions for the southbound right turn movement from Stockton Street to Geary Street are constrained by the heavy pedestrian movements that conflict with that turn. In general, intersections in the Union Square area (*e.g.*, along Powell Street) currently operate with acceptable levels of service, although pedestrian traffic, slow-moving (and on occasion double-parked) tour buses and trucks, and cable car operations (on Powell Street) create periods of congestion when poor (LOS E) conditions prevail.

Traffic Impacts

With the addition of Project traffic, operating conditions would not worsen from existing conditions at any of the study intersections. Analysis of Project effects assumed that Project-generated vehicular traffic would use parking spaces provided in off-street parking garages in the area (predominantly the Union Square and Ellis-O'Farrell garages because of their proximity to the Project site, parking space availability and rate structure). Under cumulative traffic conditions, the three study intersections generally would operate with acceptable service levels, but with increased delay. Intersections in the general Union Square area are expected to operate with increased delays under cumulative conditions, as proposed Projects (*e.g.*, the Neiman Marcus expansion, the Macy's renovation, and development of the Emporium site) and growth in area populations attract more people to the area. The mix of numerous traffic streams (*i.e.*, autos, trucks, cable cars, tour buses, and pedestrians) would continue to create periods of congestion when poor levels of service conditions prevail. Based on the foregoing, the Project would not have a significant effect on traffic.

Transit

The approximately 90 net new p.m. peak-hour transit (chiefly MUNI) trips, dispersed over 25 MUNI routes that serve the Project area, would not measurably affect existing service. The Project would,

²¹ The 85 vehicle trips represents 155 person-trips by vehicle; the number of vehicle trips is less than the number of person trips by vehicle, since some person trips are made in vehicles carrying more than one person.

²² Trip generation rates (for person-trips) were derived from the Institute of Transportation Engineers' *Trip Generation* (6th Edition) and the average vehicle occupancy of 1.8 persons for retail-generated visitor trips in the C-3 District, as follows: daily person trips – 97.72 trips per 1,000 gsf (*i.e.*, ITE vehicle trip rate of 54.29 x 1.8); p.m. peak-hour person trips – 9.11 trips per 1,000 gsf (*i.e.*, ITE vehicle trip rate of 5.06 x 1.8).

however, contribute to cumulative increases in transit ridership that would result in an incremental increase in capacity utilization. This impact would not be considered significant, because the increase would not be measurable in the context of daily fluctuations in ridership.

Parking and Loading

The proposed Project is in the C-3-R (Downtown Retail) zoning district, in which off-street parking is not required for commercial uses. The Project does not propose to provide any off-street parking spaces.

Parking demand was projected for the proposed expansion on the basis of the expected increase in the average number of employees on-site at any one time, and the estimated increased vehicular traffic by visitors to the store, generated by the Project. The Project would create long-term parking demand for about 7 net new parking spaces, and short-term parking demand for about 9 net new equivalent daily spaces, for a total parking demand of about 16 daily spaces. As stated above, the Project does not propose to provide any off-street parking spaces, resulting in an unmet demand of about 16 equivalent daily spaces, which would have to be accommodated in other off-street parking facilities. (Existing on-street parking conditions are essentially fully occupied, based on field observations.) The average weekday mid-afternoon occupancy in off-street parking garages within the Project area would not be expected to increase from the existing 92 percent as a result of the unmet parking demand generated by the Project.

Parking conditions in the study area under cumulative conditions would be affected by future development in the South of Market area. There are a number of projects in and around the Yerba Buena Center Redevelopment Area (under construction and proposed) that would displace existing parking facilities. Some of those projects would provide off-street parking, while others would not; the change in parking supply would be a net reduction of about 163 parking spaces. Parking demand generated by development projects in the South of Market area is estimated to be about 3,340 spaces. The parking space deficit resulting from cumulative development would be about 1,882 spaces, putting increased pressure on parking facilities north of Market Street in the vicinity of the Neiman Marcus Expansion Project, such as the Union Square, Ellis-O'Farrell, and Sutter-Stockton garages. This parking space deficit would result in drivers that come to the area parking farther away from their destinations or circulating around the area in search of a parking facility with available space, would cause an increase in illegal on-street parking, or would cause parkers to change travel modes. The long-term effect of the cumulative parking deficit could be to discourage auto use and encourage use of local transit. As noted above, parking demand that cannot be met by existing or proposed parking facilities would not itself be considered a significant effect.

The existing Neiman Marcus store building has three loading docks accessed from Security Pacific Place via a diagonal easement through the rear of the Macy's men's store. Freight and service vehicle loading activity at the Neiman Marcus store is lower than what theoretically would be expected to be generated by retail space. That is due to the different characteristics of Neiman Marcus versus general retail stores. Currently, the Neiman Marcus store receives a shipment of merchandise in a tractor/trailer from the

company's national distribution center in the early morning hours (by 7:00 a.m.) on four of the five weekdays. After about one hour to off-load and reload the trailer, the truck leaves the loading area. In addition, a mid-size truck uses the loading area to pickup merchandise that is to be sent to central off-site location from which deliveries to customers are made (as opposed to being hand-carried out of the store by the customer); that activity occurs once a day (in the early afternoon) six days per week. Other loading activities include UPS (delivers once per day on weekdays), FedEx (delivers twice per day and picks up once per day), and food deliveries (three or four per day) for the on-site restaurants. Total daily loading/unloading events are up to about 10 truck stops per day, with a temporal distribution of activity that is fully accommodated by the three existing loading spaces.

Loading activity at the expanded store is anticipated to continue to be lower than expected for retail space of a similar size. It is expected that deliveries from the Neiman Marcus national distribution center would increase, generating an added trip on the fifth weekday. All other loading activity would be expected to increase marginally. The proposed 32 percent increase in gross square-foot floor area would not be expected to generate a proportionate increase in loading activity because, for example, UPS and FedEx likely would be able to deliver and pickup more packages in the same truck currently used. Even a full 32-percent increase in trucks needed for the expanded store, *i.e.*, an increase from 10 stops per day to 13 stops per day, would be fully accommodated by the three proposed loading spaces, assuming a similar temporal distribution of loading activity. Therefore, the Project would not result in any significant impacts related to loading.

The proposed net increase of 60,650 square feet of retail space would require two new loading spaces, per Planning Code Section 152.1; according to Section 150(c), the loading space requirement is calculated based on the net new space (*i.e.*, 61,450 square feet of new construction less 800 square feet existing occupied space to be demolished). The Project does not propose any additional loading spaces, and therefore would require an exception under Section 309. As noted above, the Project would not be expected to result in a shortfall of off-street loading spaces.

- The current configuration of the loading area requires that trucks enter by backing in on Security Pacific Place from O'Farrell Street, resulting in temporary disruption of traffic flow, including MUNI buses. Because of the relatively low level of loading activity and the early morning arrival time of the tractor/trailer, the effect is minimal. This backing maneuver to reach the loading dock would continue with the project, and would create the same minimal short-term effect on traffic flow on O'Farrell Street.

Pedestrian and Bicycle Conditions

The primary pedestrian access for the Neiman Marcus store would continue to be at the corner of Geary and Stockton Streets, with the secondary access on Geary Street east of Stockton Street relocated farther east from its current position. Pedestrian access to the Neiman Marcus store would improve with creation of a new street-level eastern entrance on Geary Street, replacing the existing entrance that is up a short flight of stairs. Because there are no on-site parking spaces, the Neiman Marcus Expansion Project would generate new pedestrian trips on sidewalks and crosswalks associated with people walking to/from their vehicles in the area parking garages, in addition to trips to/from bus stops and MUNI Metro / BART stations, and other "walk" trips not linked to auto and transit trips. Based on the likely dispersion of pedestrian activity among the walkways to transit stops/stations, hotels, other retail establishments, and parking facilities in the Project vicinity, conditions on the sidewalks and crosswalks adjacent to the store, following addition of the Project pedestrian travel, would be expected to remain similar to existing

conditions, indicating that pedestrians generally have freedom to select the speed and direction of movement, with an absence of physical conflicts, but walking requires indirect interaction with other pedestrians. Therefore, the Project would not result in a significant effect relative to pedestrian conditions.

There are designated Citywide Bicycle Routes in the Project vicinity (on Sutter, Post, and Market Streets, and on Stockton Street north of Post Street), on which bicyclists and motorists share the pavement width. Bicyclists were observed on other streets, not so designated, in the Project area, although the number of bicyclists was not high. The Project would not be expected to generate a noticeable increase in bicycles in the area, nor would it be expected to noticeably affect existing bicycle conditions in the area, and effects therefore would not be significant.

Construction Impacts

During the projected 20-month construction period, temporary and intermittent traffic and transit impacts would result from truck movements to and from the Project site. Trucks would be staged along the Geary Street parking lane adjacent to the Project site (temporarily displacing three yellow-curb metered parking spaces) in a manner consistent with traffic management strategies established in consultation with City staff. Truck movements during periods of peak traffic flow would have greater potential to create conflicts than during non-peak hours because of the greater numbers of vehicles on the streets during the peak hour that would have to maneuver around queued trucks. An improvement measure included in the Project would reduce effects of construction traffic on surrounding traffic and transit (see page 57). The sidewalk on Geary Street would remain available for pedestrians during the duration of the Project construction, with a protected pedestrian walkway. Parking of construction workers' vehicles would temporarily increase occupancy levels in off-street parking lots, either by those vehicles or by vehicles currently parking in on-street spaces that would be displaced by construction workers' vehicles. Therefore, the Project would not result in significant construction impacts.

In summary, the Project would not result in significant impacts in the areas of transportation, circulation or parking.

D. GROWTH INDUCEMENT

In general, a project would be considered growth-inducing if its implementation would result in substantial population increases and/or new development that might not occur if the project were not approved and implemented. The proposed Project, as expansion of an existing specialty retail store, would not be expected to substantially alter development patterns in Downtown or elsewhere in San Francisco. The net increase in occupied retail floor area would be approximately 60,650 square feet, compared to existing conditions (61,450 new retail square feet less 800 existing square feet now occupied by an existing retail store, to be demolished); the total net increase in floor area compared to existing conditions, accounting for the demolition of the approximately 37,150-square-foot 125-129 Geary Street building, would be about 24,300 square feet. This net change would not generate

substantial population growth or concentration in the neighborhood, city or region. It would not introduce new, additional housing into the Project area or neighborhood. Located in an urban area, the Project would not necessitate or induce the extension of municipal infrastructure. In view of the above, there is no reason to believe that the Project would result in additional development in the Project site vicinity that would not otherwise occur.

CHAPTER IV

MITIGATION MEASURES PROPOSED TO MINIMIZE THE POTENTIAL ADVERSE IMPACTS OF THE PROJECT

In the course of Project planning and design, measures have been identified that would reduce or eliminate potential significant environmental impacts of the proposed Project. Some of these measures have been, or would be, voluntarily adopted by the Project sponsor or Project architect and contractor and thus are proposed by the Project sponsor; some are identified by this EIR. Implementation of some may be the responsibility of other agencies. Measures identified by this EIR or those that may have been rejected by the Project sponsor may be required by the Planning Commission as conditions of Project approval, if the Project were to be approved. Each mitigation measure and its status are discussed below.

There are several items required by law that would serve to mitigate potential significant impacts; they are summarized here for informational purposes. These measures include: no use of mirrored glass on the building to reduce glare, as per City Planning Commission Resolution 9212; limitation of construction-related noise levels, pursuant to the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code, 1972); compliance with Chapter 36 of the San Francisco Building Code, Work Practices for Exterior Lead-Based Paint; and observance of State and federal OSHA safety requirements related to handling and disposal of other hazardous materials, such as asbestos.

Measures that are not required by legislation but would serve to mitigate significant environmental impacts appear below. Mitigation measures preceded by an asterisk (*) are from the Initial Study (see Appendix A, p. A.28).

A. HISTORIC ARCHITECTURAL RESOURCES

The following measures would reduce but not eliminate significant adverse effects related to demolition of the 125-129 Geary Street building.

MEASURES IDENTIFIED BY THIS EIR

- A.1 Prior to demolition of the 125-129 Geary Street building, the Project sponsor could employ an architectural historian to document the building and its history in greater detail than has been done to date. The Project sponsor would submit that documentation, along with modified-format Historic American Buildings Survey drawings of the buildings, to the History Room of the San Francisco Main Library, the Secretary of the Landmarks Preservation Advisory Board, and the California Historical Society.

- A.2 To promote recognition of the building to be demolished and the Kearny-Market-Mason-Sutter Conservation District, the Project sponsor could install on or near the replacement structure a plaque and/or other monument memorializing the 125-129 Geary Street building to be demolished, along with the former City of Paris Building and the Conservation District. A plaque could be mounted on the front of the new horizontal extension to provide pedestrians with both a photographic image of the demolished building and information about the history of the buildings and the District. The Project sponsor could also include a pictorial display and/or booklet of the buildings' and District's history in a publicly accessible location inside the store. Design and placement of such plaque and display would be reviewed and approved by the Planning Department in consultation with the Landmarks Preservation Advisory Board.

B. CONSTRUCTION AIR QUALITY

MEASURE PROPOSED AS PART OF THE PROJECT

- *B.1 The Project sponsor would require the contractor(s) to sprinkle exterior demolition sites with water during demolition, excavation and construction activity; sprinkle unpaved exterior construction areas with water at least twice per day, or as necessary; cover stockpiles of soil, sand, and other material; cover trucks hauling debris, soil, sand or other such material; and sweep surrounding streets during demolition and construction at least once per day to reduce particulate emissions. Ordinance 175-91, passed by the Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities. Therefore, the Project sponsor would require that the contractor(s) obtain reclaimed water from the Clean Water Program for this purpose.

This mitigation also would reduce demolition-related impacts regarding lead paint chips/lead dust. The Project sponsor would also be required to comply with Chapter 36 of the San Francisco Building Code, Work Practices for Exterior Lead-Based Paint.

C. GEOLOGY

MEASURE PROPOSED AS PART OF THE PROJECT

- *C.1 One or more geotechnical investigations by a California-licensed geotechnical engineer are included as part of the Project. The Project sponsor and contractor would follow the recommendations of the final geotechnical report(s) regarding any excavation and construction for the Project. The Project sponsor would ensure that the construction contractor conducts a pre-construction survey of existing conditions and monitors adjacent building(s) for damage during construction, if recommended by the geotechnical engineer.

D. HAZARDS

MEASURES PROPOSED AS PART OF THE PROJECT

- *D.1 To ensure that workers and the public are not exposed to any potential hazardous materials that may exist in the soil to be graded for the new loading dock, the grading contractor shall ensure that workers who are exposed to soil contact wear rubber gloves. In addition, the contractor shall

ensure that soil disturbed through grading be contained within the immediate area by means such as washing workers' shoes and washing earthmoving equipment (using recycled water as described in Mitigation Measure No. B.1 under Construction Air Quality) prior to workers and equipment leaving the area where grading occurs. Other dust control measures included in Mitigation Measure No. B.1 under Construction Air Quality would also serve to prevent the dispersion of potentially contaminated soil.

- *D.2 The Project sponsor would ensure that building surveys for PCB-containing equipment (including elevator equipment), hydraulic oils, and fluorescent lights are performed prior to the start of demolition. Any hazardous materials so discovered would be abated according to federal, state, and local laws and regulations.

E. IMPROVEMENT MEASURE - TRANSPORTATION

MEASURE PROPOSED AS PART OF THE PROJECT

- E.1 The Project sponsor would restrict Project-related construction truck traffic to the hours of before 7:00 a.m. and between 9:00 a.m. to 3:30 p.m., or other hours if approved by the Department of Parking and Traffic (DPT), which would avoid peak-period effects on traffic and transit, and to prohibit staging or unloading of equipment during the periods of 7:00 a.m. to 9:00 a.m. and 3:30 p.m. to 6:00 p.m. The Project sponsor has agreed to meet with MUNI, DPT, and other responsible agencies to coordinate construction activities so as to minimize construction impacts on traffic (vehicular and pedestrian).

CHAPTER V

SIGNIFICANT ENVIRONMENTAL EFFECTS THAT CANNOT BE AVOIDED IF THE PROPOSED PROJECT IS IMPLEMENTED

In accordance with Section 21067 of the California Environmental Quality Act (CEQA), and with Sections 15040, 15081 and 15082 of the State CEQA Guidelines, the purpose of this chapter is to identify impacts that could not be eliminated or reduced to an insignificant level by mitigation measures included as part of the Project, or by other mitigation measures that could be implemented, as described in Chapter IV, Mitigation Measures, pp. 55-57.

This chapter is subject to final determination by the Planning Commission as part of its certification process for the EIR. The Final EIR will be revised, if necessary, to reflect the findings of the Commission.

With the implementation of the mitigation measures outlined in Chapter IV, Mitigation Measures, pp. 55-57, all potential significant impacts would be reduced to a less-than-significant level, with the following exception.

The loss of recognized significant historic architectural resources, such as an individual landmark, historic district, or Significant (Category I or II) Building, would typically be considered a significant environmental effect. Contributory Buildings (Category III and IV Buildings) as defined by Article 11 of the Planning Code may be valued, but Article 11 clearly permits their demolition, and the Downtown Plan states that “their importance is not so great as to justify a requirement that they be retained” (Downtown Plan, p. II.1.24). For these reasons, the proposed demolition of a Category IV building in and of itself would not necessarily be considered a significant environmental effect. However, as noted in the discussion of Historic Architectural Resources Impacts, p. 43, CEQA Section 21084.1 states that the “fact that a resource is not listed in, or determined to be eligible for listing in, the California Register of Historical Resources, not included in a local register of historic resources, or not deemed significant pursuant to criteria set forth in subdivision (g) of Section 5024.1 shall not preclude a lead agency from determining whether the resource may be an historical resource for purposes of [CEQA].”

In light of the above, in recognition of the age, visual quality and detailing, and lack of major modifications to the 125-129 Geary Street building, as well as its role in the Conservation District, in order to be conservative, for purposes of this analysis, the City has concluded, as permitted by Section 21084.1, that the 125-129 Geary Street building is to be considered a historical resource under CEQA, and that proposed demolition of the 125-129 Geary Street building would therefore be considered a significant, unavoidable effect.

As stated in the second paragraph above, Planning Department staff's recommendation is subject to final determination by the Planning Commission as part of its certification process for the EIR.

CHAPTER VI

ALTERNATIVES TO THE PROPOSED PROJECT

This chapter identifies alternatives to the proposed Project and discusses the environmental impacts associated with each alternative. City decision-makers could adopt any of the following alternatives, if feasible, instead of approving the proposed Project.

The alternatives described in this chapter include a No Project Alternative, as required by CEQA Guidelines Section 15126.6(e), and four other alternatives that would avoid or lessen, to at least some degree, the proposed Project's significant adverse effect on historic architectural resources, by avoiding complete demolition of the 125-129 Geary Street building, while at the same time attempting to at least partially achieve the Project sponsor's basic objectives (CEQA Guidelines, Section 15126.6(c)). The degree to which each alternative "avoids or substantially lessens" the Project's significant impact on historic architectural resources and the degree to which the alternative meets the Project sponsor's objectives will be considered by the City decision-makers in their consideration of the proposed Project.

A. ALTERNATIVE A: NO PROJECT

DESCRIPTION

This alternative would entail no change to the site, which would remain in its existing condition. The 125-129 Geary Street building would not be demolished, and the existing Neiman Marcus store building would not be expanded, either vertically or horizontally. No espresso bar/cafe would be constructed at the 125-129 Geary Street site.

Also with this alternative, the proposed alterations to the exterior of the existing Neiman Marcus store building, which are intended to make the building more compatible with proposed horizontal extension and the Kearny-Market-Mason-Sutter Conservation District, would not occur. Thus, the main Geary-Stockton Street entrance would not be reglazed and squared off in order to make the former City of Paris building rotunda more visible and to make the entrance more compatible with nearby corners, the exterior harlequin pattern would not be muted by sandblasting, the east entrance would not be relocated and made disabled-accessible, the skylight notch would not be reglazed, and the partial sixth floor would not be added.

IMPACTS

This alternative would not result in immediate demolition of the 125-129 Geary Street building, a Category IV building under Article 11 of the Planning Code and deemed to be an historical resource under CEQA for purposes of this analysis. As described in Section III.B, Historic Architectural Resources, the 125-129 Geary Street building must, under the City's Unreinforced Masonry Building (UMB) Ordinance, be retrofitted by 2004, or be demolished. Any subsequently proposed demolition would be subject to separate environmental review. However, upgrading pursuant to the UMB Ordinance does not typically trigger CEQA review.

Unless the 125-129 Geary Street building were upgraded to accommodate other tenants or demolished pursuant to the UMB Ordinance, there would be no temporary construction impacts, such as noise, dust and construction traffic. Although there would be no adverse impact to the Conservation District as a result of the immediate demolition of the 125-129 Geary Street building, there would also be no beneficial impact to the Conservation District as a result of the improvement of the existing Neiman Marcus store building. In addition, the 125-129 Geary Street building, even if renovated to minimum UMB Ordinance standards, would not be as seismically sound as the new horizontal extension proposed by the Project.

Unless the building were upgraded to accommodate other tenants, this alternative would not result in any increase in travel to and from the Project site, nor would it cause any of the impacts described in the Initial Study, such as a minor increase in shadow in the travel lanes of Geary Street and an incremental increase in emissions of criteria air pollutants.

The 125-129 Geary Street building contains a total of approximately 37,150 gross square feet with its four floors and basement. In the past, the 125-129 Geary Street building contained ground floor retail uses and upper floor office uses. However, the building is currently vacant with the exception of a single retail store that occupies about 800 square feet. Reoccupancy of this building, either before or after seismic upgrade pursuant to the UMB Ordinance, would generate incrementally greater traffic and air pollutant emissions, compared to existing conditions. However, whether such occupancy or seismic upgrade would occur is purely speculative. Moreover, the 125-129 Geary Street building contains a number of structural deficiencies, including seismic weakness and accessibility constraints, that would have to be corrected before such occupancy would be permitted.

Seismic upgrade, should it occur, could be undertaken by the Project sponsor or by a subsequent owner. According to a study by a prior owner of the 125-129 Geary Street building, the required seismic enhancement would likely include, at a minimum, the addition of new concrete wall beams with steel bracing and new foundations, new plywood diaphragms and new diaphragm chords at the floors and roof, new wall ties at every floor, a new reinforced topping slab at the basement and a variety of other bracing, strapping, filling and reinforcement work. However, even minimum compliance with the UMB Ordinance would not bring the 125-129 Geary Street building into compliance with current code requirements for new construction. Given the high cost of the necessary repairs, the Project sponsor

believes it is most probable that the 125-129 Geary Street building would remain vacant under the No Project Alternative, and ultimately would have to be demolished pursuant to the UMB Ordinance.

The No Project Alternative would be environmentally superior to the Project, at least over the near term, because it would avoid the environmental impacts of the Project, including immediate demolition of the 125-129 Geary Street building. However, the No Project Alternative would not meet any of the Project objectives. In particular, the No Project Alternative would not meet the following objectives of the Project sponsor: provide adequate expansion space; enhance the compatibility of the existing Neiman Marcus store building with the Conservation District; satisfy the Neiman Marcus Merchandising Standards (including Adequate Vertical Transportation, Unobstructed Selling Floor-Merchandise Concept Groupings, Configuration of Selling Space and Behind the Scenes Areas); enliven the Geary Street facade through the provision of an entrance cafe/espresso bar; increase the transparency of the existing Neiman Marcus store building, including the City of Paris rotunda; bring the 125-129 Geary street site into compliance with current codes for new construction; increase the code compliance of the existing Neiman Marcus store building; increase the transparency of and natural light in the 125-129 Geary Street building/horizontal extension; and provide Neiman Marcus a reasonable economic return on its investment.

B. ALTERNATIVE B: EXPANSION OF EXISTING NEIMAN MARCUS STORE BUILDING

DESCRIPTION

Under this alternative, only the existing Neiman Marcus store building would be expanded through construction of a partial sixth story; there would be no construction at the 125-129 Geary Street site. The partial sixth story would be incrementally larger (about 300 square feet additional) than that proposed with the Project. However, the new floor could extend only about two feet farther towards Geary Street than proposed with the Project without casting new shadow on Union Square during hours covered by Planning Code Section 295 ("Proposition K").²³ In addition, rooftop mechanical equipment in the western portion of the existing store building would preclude feasibly extending the partial sixth story farther west than proposed with the Project. Other proposed exterior alterations to the existing Neiman Marcus store building (reglazing and squaring off of the Geary/Stockton Streets entrance, sandblasting of the exterior harlequin pattern, relocation of the east entrance, and reglazing of the skylight notch), which are intended to make the existing building more compatible with the horizontal extension and the Conservation District, would not be made because these changes would not "read" as being more compatible with the District absent the architectural transition provided by the new Geary Street facade of the horizontal extension.

Treatment of the existing 125-129 Geary Street building would be as under the No Project Alternative; that is, the building could remain in its existing condition, and would require upgrading consistent with

²³ For this same reason, addition of additional stories beyond a partial sixth floor is not considered feasible.

the City's Unreinforced Masonry Building Ordinance by 2004, or could be demolished in the future. No espresso bar/cafe would be constructed at the 125-129 Geary Street location.

IMPACTS

This alternative would avoid the impacts of the Project resulting from immediate demolition of the 125-129 Geary Street building, deemed to be a historical resource under CEQA for purposes of this analysis. This alternative would also avoid the less-than-significant impact to the Kearny-Market-Mason-Sutter Conservation District as a result of the demolition of the 125-129 Geary Street building; however, there would be no beneficial impact to the Conservation District as a result of the exterior changes to the existing Neiman Marcus store building. In addition, the 125-129 Geary Street building would not be made as seismically sound as the new horizontal extension proposed by the Project.

Because this alternative would result in less floor space being added compared to the Project, transportation and related air-quality effects would be incrementally less severe than with the Project; these effects would be less-than-significant, as with the Project. Shadow effects, also less than significant with the Project, would be similar to those under the Project, because this alternative is assumed to not create new shadow on Union Square during the hours prescribed by Section 295 of the Planning Code.

Temporary construction impacts associated with the Project, such as noise, dust and construction traffic, would occur under this alternative, because this alternative would involve construction activities at the existing Neiman Marcus store building site; however, there would be no immediate demolition, so effects would be incrementally less severe than with the Project. Other effects described in the Initial Study related to the intensity of development could be incrementally less intensive (*e.g.*, increases in employment) than with the Project.

This alternative would be environmentally superior to the Project, because it would avoid the impact of the immediate demolition of the 125-129 Geary Street building. However, the Expansion of Existing Neiman Marcus Store Building Alternative would not meet the following objectives of the Project sponsor: provide adequate expansion space; enhance the compatibility of the existing Neiman Marcus store building with the Conservation District; satisfy the Neiman Marcus Merchandising Standards (including Unobstructed Selling Floor-Merchandise Concept Groupings, Configuration of Selling Space, Behind the Scenes Areas and Adequate Ceiling Heights); enliven the Geary Street facade through the provision of an entrance cafe/espresso bar; increase the transparency of the existing Neiman Marcus store building, including the City of Paris rotunda; bring the 125-129 Geary street site into compliance with current codes for new construction; increase the code compliance of the existing Neiman Marcus store building; increase the transparency of and natural light in the 125-129 Geary Street building/horizontal extension; and provide Neiman Marcus a reasonable economic return on its investment.

C. ALTERNATIVE C: PRESERVATION ALTERNATIVE

DESCRIPTION

Under the Preservation Alternative, the existing Neiman Marcus store building would remain unchanged, while the 125-129 Geary Street building would be structurally upgraded to meet Building Code requirements for Unreinforced Masonry Buildings (UMBs).

As described in Section III.B, Historic Architectural Resources, under the City's UMB Ordinance, the 125-129 Geary Street building must be seismically retrofitted by 2004 or be demolished. The UMB Ordinance permits UMBs to be retrofitted to meet a lateral force coefficient that is 75 percent of that required by the Building Code for new buildings. Under the Preservation Alternative, the 125-129 Geary Street building would be retrofitted pursuant to the UMB Ordinance, and would not be demolished.

The required seismic enhancement for compliance with the UMB Ordinance was analyzed by a prior owner of the building. That analysis concluded that compliance would likely require, at a minimum, the following improvements (although other UMB solutions might also be available): To resist east-west lateral forces, new concrete wall beams would have to be added, and would need to be laterally supported by new diagonal steel bracing. North-south lateral forces would continue to be carried in the unreinforced brick walls. In order to reduce the induced uplift and downward seismic loads at each end of the new braced frames (*i.e.*, under the new beams and braces), new foundations would be required. In addition, new plywood diaphragms and new diaphragm chords would be required at all floors and at the roof. New wall ties would be required at every floor, and a new reinforced topping slab would be required at the basement. In addition, a variety of other bracing, strapping, filling and reinforcement work, as well as the addition of other beams and columns, would be required. However, even minimum compliance with the UMB Ordinance would not bring the 125-129 Geary Street building into compliance with current code requirements for new construction. Absent additional structural enhancement, certain safety risks to building occupants, visitors and passers-by would remain under this UMB upgrade scenario. The new entrance cafe/espresso bar would not be constructed at the 125-129 Geary Street location.

Under the Preservation Alternative, no connection to the existing Neiman Marcus store building would be made. In addition, the proposed alterations to the exterior of the existing Neiman Marcus store building, which are intended to make the existing Neiman Marcus store building more compatible with the proposed horizontal extension and Conservation District, would not occur because these changes would not "read" as being more compatible with the District absent the architectural transition provided by the new Geary Street facade of the horizontal extension. Thus, the Geary-Stockton Street entrance would not be resheathed and squared off in order to make the former City of Paris building rotunda more visible and to make the entrance more compatible with nearby corners, the exterior harlequin pattern would not be muted by sandblasting, the east entrance would not be relocated and made accessible, the skylight notch would not be reglazed, and the partial sixth story would not be added.

IMPACTS

The Preservation Alternative would avoid the impacts of the Project resulting from immediate demolition of the 125-129 Geary Street building, deemed to be a historical resource under CEQA for purposes of this analysis. This alternative would also avoid the less-than-significant impact to the Kearny-Market-Mason-Sutter Conservation District as a result of the immediate demolition of the 125-129 Geary Street building. There would also be no beneficial impact to the Conservation District from the exterior changes to the existing Neiman Marcus store building. In addition, the 125-129 Geary Street building, even if renovated to minimum UMB Ordinance standards, would not be seismically as sound as the new horizontal extension proposed by the Project.

Transportation and air quality impacts under this alternative would depend upon the type of reuse of the 125-129 Geary Street building. Because this alternative would result in less floor space being added than under the Project, if the building were reoccupied as a stand-alone retail store, transportation and air quality impacts would be incrementally less severe than with the Project; these effects would be less-than-significant, as with the Project. Shadow effects, also less than significant with the Project, would not occur under this alternative, because there would be no increase in building height.

Temporary construction impacts associated with the Project, such as noise, dust and construction traffic, would still occur under this alternative because construction activities would take place at the 125-129 Geary Street site, but would be incrementally less severe than the less-than-significant Project impacts because substantially less demolition work would occur. Hazardous building materials would likely be removed as part of a UMB upgrade, similar to conditions with the Project. Other effects described in the Initial Study related to the intensity of development (*e.g.*, increase in employment) could be incrementally less intensive than with the Project.

Given the high cost of seismic upgrade, it is possible that, under the Preservation Alternative, the 125-129 Geary Street building would not be upgraded, would remain vacant and would ultimately be demolished pursuant to the UMB Ordinance.

The Preservation Alternative would be environmentally superior to the Project, because it would reduce the impact of the immediate demolition of the 125-129 Geary Street building. However, the Preservation Alternative would not meet the Project sponsor's objectives. Specifically, the Preservation Alternative would not meet the following objectives of the Project sponsor: provide adequate expansion space; enhance the compatibility of the existing Neiman Marcus Store building with the Conservation District; satisfy the Neiman Marcus Merchandising Standards (including Adequate Vertical Transportation, Unobstructed Selling Floor-Merchandise Concept Groupings, Configuration of Selling Space, Behind the Scenes Areas and Adequate Ceiling Heights); create a single, integrated retail store; enliven the Geary Street facade through the provision of an entrance cafe/espresso bar; increase the transparency of the existing Neiman Marcus store building, including the City of Paris rotunda; bring the 125-129 Geary street site into compliance with current codes for new construction; increase the code compliance of the existing Neiman Marcus store building; increase the transparency of and natural light in the 125-129

Geary Street building/horizontal extension; and provide Neiman Marcus a reasonable economic return on its investment. As a matter of corporate policy, Neiman Marcus would require the horizontal extension to comply with current codes for new construction in order to provide for the safety of its customers, employees and passers by, and Neiman Marcus has indicated that it would therefore not proceed under the Preservation Alternative.

D. ALTERNATIVE D. REHABILITATION ALTERNATIVE

DESCRIPTION

The Rehabilitation Alternative could take one of two forms: (i) retention of only the Geary Street facade of the 125-129 Geary Street building; or (ii) retention of the Geary Street facade and some of the exterior walls of the 125-129 Geary Street building (in an effort to retain as much as possible of the 125-129 Geary Street building). Under either scenario, the interior of the 125-129 Geary Street building would be demolished in order to permit the construction of new floor extensions that would align with the floors of the existing Neiman Marcus store building and have the required seismic and structural characteristics to meet current codes for new construction. The new floors would not align with the Geary Street facade of the 125-129 Geary Street building under either scenario.

Under the first scenario, only the principal Geary Street facade of the 125-129 Geary Street building would be retained in place during the demolition of the rest of the building and the construction of the horizontal extension. A bracing frame, which would be attached to the facade, would be constructed over the sidewalk and into the Geary Street parking lane in order to laterally support the facade during the demolition of the rest of the 125-129 Geary Street building.

Under the second scenario, in addition to the Geary Street facade, the south and east walls of the existing 125-129 Geary Street building would be retained. A bracing frame for the Geary Street facade would be constructed as under the first scenario. In addition, a second bracing frame, which would be attached to the exterior of the south wall, would be constructed over Security Pacific Place in order to laterally support the south wall during the demolition of the rest of the 125-129 Geary Street building, and a third bracing frame or other system, which would be attached to the interior of the east wall, would be constructed inside of the existing 125-129 Geary Street building in order to laterally support the east wall during the demolition.

Under both scenarios, after the bracing frames were installed, the remainder of the 125-129 Geary Street building (including the roof, floors and west perimeter wall, and, under the first scenario, the east and south walls) would be demolished. Under both scenarios, a new horizontal extension would then be built inside of the retained exterior wall(s). Pneumatic concrete ("shotcrete") would be placed against the interior of the retained wall(s) to stiffen them. The new horizontal extension would include new foundations and a new building structure; the work would exceed the requirements of San Francisco's Unreinforced Masonry Building (UMB) Ordinance and would meet current codes for new construction.

In addition, new floor extensions would be constructed in alignment with the floors of the existing Neiman Marcus store building. Two additional floors would be constructed as part of the horizontal extension, aligning with the existing fifth floor and proposed sixth floor of the Neiman Marcus store building. A new loading dock would be constructed in the horizontal extension on Security Pacific Place. Under the second scenario, this loading dock would preclude retaining the lower portion of the rear elevation of the 125-129 Geary Street building (only the windows of existing floors two through four could be retained). With the new internal structure in place, the old walls would provide no structural capacity, and only the exteriors of the front and, under scenario two, partial rear building facades would remain visible. This alternative would preclude construction of an espresso bar/cafe at the sidewalk level of the 125-129 Geary Street building because the existing facade would be preserved in place.

Under the Rehabilitation Alternative, a partial sixth floor would be added to the existing Neiman Marcus store building, as with the proposed Project. However, the proposed alterations to the exterior of the existing Neiman Marcus store building, which are intended to make the existing Neiman Marcus store building more compatible with the proposed horizontal extension and the Conservation District, would not occur because (i) these changes would not “read” as being more compatible with the District absent the architectural transition provided by the new Geary Street facade of the horizontal extension; and (ii) the Project sponsor has determined that these changes would not be financially feasible when added to the cost of the rehabilitation of the 125-129 Geary Street building. Thus, the Geary-Stockton Street entrance would not be reglazed and squared off in order to make the former City of Paris building rotunda more visible and the entrance more compatible with nearby corners, the exterior harlequin pattern would not be muted by sandblasting, the east entrance would not be relocated and made accessible, and the skylight notch would not be reglazed.

IMPACTS

Under both scenarios of the Rehabilitation Alternative, the 125-129 Geary Street building would be partially retained, lessening but not fully avoiding the impact of demolition of the 125-129 Geary Street building. Although some of the less-than-significant impact to the Conservation District as a result of the total demolition of the 125-129 Geary Street building would be avoided, there would also be no beneficial impact to the Conservation District as a result of the improvement of the existing Neiman Marcus store building. In addition, because of the retention of the existing unreinforced masonry wall(s), although this alternative would meet current codes for new construction, the 125-129 Geary Street building would not be as seismically sound under this alternative as would the new horizontal extension proposed by the Project. This alternative also would preclude creation of a new east entrance and espresso bar/cafe at the 125-129 Geary Street location.

This alternative would result in slightly less floor space being added to the Neiman Marcus store building as with the Project. Transportation and related air-quality effects would be similar to those of the Project; these effects would be less-than-significant, as with the Project. Shadow effects, also less than

significant with the Project, would be similar under this alternative, since there would be a comparable increase in building height at the 125-129 Geary Street site.

Temporary construction impacts associated with the Rehabilitation Alternative, such as noise, dust and construction traffic, would be somewhat greater than with the Project, because this alternative would involve more intensive and lengthy construction activities at the 125-129 Geary Street site. Hazardous building materials would be removed from the existing 125-129 Geary Street building in accordance with applicable laws and regulations, similar to the Project. Other effects described in the Initial Study related to the intensity of development would be similar to those of the Project, because the development program would be similar.

The Rehabilitation Alternative would be environmentally superior to the Project, although neither scenario of this alternative would completely eliminate effects on historic architectural resources. Generally, historic preservation entails restoration of environments and buildings, not artifacts and facades. Thus, because the 125-129 Geary Street building is deemed to be a historical resource under CEQA for purposes of this analysis, the Rehabilitation Alternative would not mitigate the impact of the demolition of the 125-129 Geary Street building to a less than significant level. In addition, the Rehabilitation Alternative would not meet the following objectives of the Project sponsor: provide adequate expansion space; enhance the compatibility of the existing Neiman Marcus Store building with the Conservation District; enliven the Geary Street facade through the provision of an entrance cafe/espresso bar; increase the transparency of the existing Neiman Marcus store building, including the City of Paris rotunda; increase the transparency of and natural light in the 125-129 Geary Street building/horizontal extension; and provide Neiman Marcus a reasonable economic return on its investment.

E. ALTERNATIVE E: RECONSTRUCTION ALTERNATIVE

DESCRIPTION

Under the Reconstruction Alternative, the existing Neiman Marcus store building would remain essentially unchanged while the 125-129 Geary Street building would be dismantled, structurally upgraded, and reconstructed to meet current code requirements for new construction, in addition to the City's Unreinforced Masonry Building (UMB) Ordinance. In addition, the reconstructed 125-129 Geary Street building would be internally connected to the existing Neiman Marcus store building through new openings in the east wall of the existing Neiman Marcus store building.

As noted under Alternative C, Preservation Alternative, a prior owner of the 125-129 Geary Street building evaluated compliance with the UMB Ordinance. The Project sponsor has separately analyzed the potential for reuse of the building, which was constructed in 1908. The 125-129 Geary Street building is classified by the Department of Building Inspection as a UMB, meaning that it must be seismically strengthened by 2004 in accordance with the City's UMB Ordinance, or be demolished. The

floors are of a wooden joist system supported by iron columns on the lower floors and wood posts on the upper floors. The second through fourth floors were designed to support only office live loads and are not capable of supporting retail live loads, which under the Building Code must accommodate double the weight of office live loads.²⁴ Ceiling height of the floors ranges from 12 feet on the ground floor to 8 to 9 feet on the upper floors. The floor levels of the 125-129 Geary Street building do not align with the floor levels in the existing Neiman Marcus store building at any level.

Under the Reconstruction Alternative, all of the floors and all four exterior walls of the 125-129 Geary Street building would be removed and subsequently reinstalled in their original locations to the maximum extent feasible. The entire building also would be subject to complete interior and exterior upgrades, including: egress stairs, elevators and restrooms, including accessibility features; building-wide mechanical, electrical, lighting and fire protection systems; storefronts, door and window systems; finished roofing and facade materials; structural strengthening to meet current building code requirements; and additional strengthening to allow for retail floor loading at the upper floors.

Although the UMB Ordinance provides owners the option of seismically upgrading buildings without bringing buildings into compliance with current codes for new construction, the Project sponsor, as a matter of corporate policy, would require that the 125-129 Geary Street building be brought into compliance with current codes for new construction in order to provide for the safety of its customers, employees and passers-by. In order to achieve this current code level of seismic strengthening, the 125-129 Geary Street building would have to be completely dismantled and reconstructed using the original materials adapted to modern construction technology. This process would require removal and storage of the Geary Street facade and the exterior bricks, demolition of the balance of the building with salvage of the reusable materials and replacement of the foundation (which could not be preserved if seismic standards are to be met). The existing brick walls would then be reconstructed as a veneer to new, reinforced concrete walls. In the interest of safety, the existing wood floor framing would be replaced with more fire-resistant construction materials. The facade elements that remained structurally sound would be re-anchored to the new walls, while facade elements that have deteriorated would be replaced.

With this renovation, customer circulation and sight lines between the 125-129 Geary Street building and the existing Neiman Marcus store building would be limited, and in some cases precluded, because of the misalignment of floors between the two buildings. The misalignment ranges from 4' 6" to 15' 2", rendering it impossible to connect some floors and requiring staircases, ramps or elevators between others. In addition, penetrations of the east wall of the existing Neiman Marcus store building would have to be limited, because each opening would decrease the shear strength of this wall (which would remain under this alternative in the interest of maximum reuse of original materials, in contrast to the proposed Project, which would remove this wall and replace it with a new shear wall that would form the eastern wall of the horizontal extension). As a result, the Reconstruction Alternative would create either two stand-alone stores, or two stores with limited connections and less than optimal circulation between them. According to the Project sponsor, neither option would permit the proposed integrated, horizontal

²⁴ "Live loads" include the weight of people and goods, as opposed to "static loads" which are those of the building itself.

extension of the existing Neiman Marcus store building onto the 125-129 Geary Street site. This alternative would not include construction of an espresso bar/cafe at the sidewalk level of the 125-129 Geary Street building.

Under the Reconstruction Alternative, there would be no partial sixth story added to the existing Neiman Marcus store building because the Project sponsor has determined that it would not be financially feasible when added to the cost of reconstruction. In addition, the other proposed alterations to the exterior of the existing Neiman Marcus store building, which are intended to make the existing Neiman Marcus store building more compatible with the Conservation District and with the proposed horizontal extension, would not occur because (i) these changes would not “read” as being more compatible with the District absent the architectural transition provided by the new Geary Street facade of the horizontal extension; and (ii) the Project sponsor has determined that these improvements would not be financially feasible when added to the cost of reconstruction of the 125-129 Geary Street building. Thus, the Geary-Stockton Street entrance would not be reglazed and squared off in order to make the former City of Paris building rotunda more visible and the entrance more compatible with nearby corners, the exterior harlequin pattern would not be muted by sandblasting, the east entrance would not be relocated and made accessible, and the skylight notch would not be reglazed.

IMPACTS

The Reconstruction Alternative would reduce the impacts of the Project resulting from demolition of the 125-129 Geary Street building, deemed to be a historical resource under CEQA for purposes of this analysis. However, because this alternative would involve substantial dismantling and reconstruction, it would not completely avoid the impacts of demolition. This alternative would also avoid the less-than-significant impact to the Kearny-Market-Mason-Sutter Conservation District as a result of the demolition of the 125-129 Geary Street building. There would also be no beneficial impact to the Conservation District as a result of the exterior changes to the existing Neiman Marcus store building.

Because this alternative would result in less floor space being added to the existing Neiman Marcus store building than with the Project, transportation and related air-quality effects would be incrementally less severe than with the Project; these effects would be less-than-significant, as with the Project. Shadow effects, also less than significant with the Project, would not occur under this alternative, because there would be no increase in building height.

Temporary construction impacts associated with the Project, such as noise, dust and construction traffic, would be somewhat greater under the Reconstruction Alternative than those under the Project, because this alternative would involve more intensive and lengthy construction activities at the 125-129 Geary Street site. Hazardous building materials would be removed from the existing 125-129 Geary Street building in accordance with applicable laws and regulations, similar to the Project. Other effects described in the Initial Study related to the intensity of development could be incrementally less intensive (*e.g.*, increases in employment) than with the Project.

The Reconstruction Alternative would be environmentally superior to the Project because it would reduce the impact of the immediate demolition of the 125-129 Geary Street building. However, because this alternative would involve partial demolition and partial reconstruction, it would not completely avoid the impacts of the demolition. In addition, this alternative would be impractical from a preservation standpoint because the amount of deconstruction and reconstruction involved would severely alter the historic fabric of the 125-129 Geary Street building. In addition, the Reconstruction Alternative would not meet the following objectives of the Project sponsor: provide adequate expansion space; enhance the compatibility of the existing Neiman Marcus Store building with the Conservation District; satisfy the Neiman Marcus Merchandising Standards (including Adequate Vertical Transportation, Unobstructed Selling Floor-Merchandise Concept Groupings, Configuration of Selling Space, Behind the Scenes Areas and Adequate Ceiling Heights); create a single, integrated retail store; enliven the Geary Street facade through the provision of an entrance cafe/espresso bar; increase the transparency of the existing Neiman Marcus store building, including the City of Paris rotunda; increase the code compliance of the existing Neiman Marcus store building; increase the transparency of and natural light in the 125-129 Geary Street building/horizontal extension; and provide Neiman Marcus a reasonable economic return on its investment. In addition, the construction of openings in the eastern wall of the existing Neiman Marcus store building would require demolition and relocation of one of an existing stairwell, disrupting operations of the existing store. .

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Tanama Trust 944 Market Street, Suite 610 San Francisco, CA 94102-4010	Occupant 124 Geary Street San Francisco, CA 94108	King Family Revocable Trust 320 Pinehill Road Hillsborough, CA 94010-6613
Occupant 160 Geary Street San Francisco, CA 94108	Occupant 111 Maiden Lane, #200, 300, 301, 303, 304, 402, 420, 500, 510, 530, 540, 602, 700, 720, 740, 750 San Francisco, CA 94108	Occupant 45 Grant Avenue San Francisco, CA 94108
Occupant 171 Maiden Lane San Francisco, CA 94108		Hon Cheung et. al. 2885 Montair Way Union City, CA 94587-1679

Occupant
39 Grant Avenue
San Francisco, CA 94108

Occupant
41 Grant Avenue, 2nd, 3rd, 4th flrs.
San Francisco, CA 94108

Double High Financial
5525 Oakdale Ave., #200
Woodland Hills, CA 92364-2663

Occupant
33 Grant Avenue
San Francisco, CA 94108

The Neiman Marcus Group Inc.
27 Boylston Street
Chestnut Hill, MA 02167-1719

Occupant
150 Stockton Street
San Francisco, CA 94108

Occupant
125 Geary Street
San Francisco, CA 94108

Occupant
127 Geary Street
San Francisco, CA 94108

Occupant
129 Geary Street
San Francisco, CA 94108

Neiman Marcus et. al.
125-129 Geary Street
San Francisco, CA 94108

Sanstoffs East Properties Corp.
7 West 7th Street
Cincinnati, OH 45202-2424

Occupant
50 O'Farrell Street
San Francisco, CA 94108

Macy's Primary Real Estate
7 West 7th Street
Cincinnati, OH 45202-2424

Mr. & Mrs. John Collins
720 Market Street, Suite 250
San Francisco, CA 94102-2500

Macy's
Stockton & O'Farrell Streets
San Francisco, CA 94108

CHAPTER VIII

NEIMAN MARCUS EXPANSION PROJECT DRAFT EIR – SUMMARY OF COMMENTS AND RESPONSES

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SECTION A

INTRODUCTION

This document contains public comments received on the Draft Environmental Impact Report (Draft EIR, or DEIR) prepared for the proposed Neiman Marcus Expansion Project, and responses to those comments. Also included in this document are staff-initiated text changes.

Following this introduction, Section B contains a list of all persons and organizations who submitted written comments on the Draft EIR and who testified at the public hearing on the Draft EIR held on June 10, 1999.

Sections C and D contain the comments and responses. Comments are grouped by commenter to allow commenters to easily find the responses to their comment(s). As the subject matter of one comment may overlap that of others, the reader may be referred to a prior response.

Section C contains comment letters received during the public review period from May 8 to June 10, 1999, and the responses to each comment. Each substantive comment on the EIR is labeled with a number in the margin and the response to each comment is presented immediately after the letter containing that comment.

Section D contains transcribed comments made at the public hearing on the Draft EIR and the responses to each of those comments. Each substantive comment on the EIR is similarly labeled with a number in the margin, and the responses to each set of comments follow those comments.

Some comments do not pertain to physical environmental issues, but responses are included to provide additional information for use by decision makers.

Section E contains text changes to the Draft EIR made by the EIR preparers subsequent to publication of the Draft EIR to correct or clarify information presented in the DEIR.

These comments and responses will be incorporated into the Final EIR as a new chapter. Text changes resulting from comments and responses will also be incorporated in the Final EIR, as indicated in the responses.

SECTION B

LIST OF PERSONS COMMENTING

Daniel F. Reidy, President Landmarks Preservation Advisory Board, letter, June 9, 1999

Donald Andreini, Issues Committee, San Francisco Heritage, letter, June 9, 1998

Mark D. Selverston, Assistant Coordinator, Northwest Information Center, California Historical Resources Information System, letter, June 10, 1999

Margo N. Rabinovitz, Brobeck, Phleger & Harrison, LLP (on behalf of The Neiman Marcus Group), letter, June 8, 1999

Tom Lehnen, Senior Real Estate Advisor, Neiman Marcus, public hearing comments

David Robinson, C. David Robinson Architects (consulting architect to Neiman Marcus), public hearing comments

Richard Diedrich, Diedrich ■ NBA (Project design architect), public hearing comments

SECTION C

WRITTEN COMMENTS AND RESPONSES

This chapter includes copies of the comment letters received during the public review period on the Draft EIR and responses to those comments. Each substantive comment on the Draft EIR is labeled with a number in the margin and the response to each comment is presented immediately after the letter containing that comment. Where responses have resulted in changes to the text of the Draft EIR, these changes will also appear in the Final EIR.



LANDMARKS PRESERVATION ADVISORY BOARD

1660 MISSION STREET, 5TH FLOOR, SAN FRANCISCO, CA 94103-2414

TEL. (415) 558-6345 • FAX. (415) 558-6409

June 9, 1999

A

Ms. Hillary E. Gitelman
Environmental Review Officer
San Francisco Planning Department
1660 Mission Street, Fifth Floor
San Francisco, CA 94103-2414

**RE: Comments on Draft EIR for Neiman Marcus Expansion
Project (Planning Department File No. 98.813E)**

Dear Ms. Gitelman:

These comments on the Draft Environmental Impact Report for the Neiman Marcus Expansion Project ("Draft EIR") are presented on behalf of the San Francisco Landmarks Preservation Advisory Board ("Landmarks Board"), which addressed this matter in a public hearing on June 2, 1999. We appreciate this opportunity to review and comment on this document for such an important project for the City and County of San Francisco, since there are significant issues of preservation of historic architectural resources to be addressed because of the proposed demolition of the Clayburgh Building at 125-129 Geary Street and the fact that the project site is located within the Kearny-Market-Mason-Sutter Conservation District.

I. OVERVIEW.

In general, the Draft EIR document presents information and analysis of issues involving historic preservation in a clear and comprehensive way. However, we found that the Historic Architectural Evaluation of the 125-129 Geary Building prepared by C. David Robinson Architects contained graphics and data not found in the draft EIR which were more helpful to the reader and should be part of the CEQA analysis of this project.

II. PROJECT DESCRIPTION.

The statement of the Project Sponsor's objectives (pp. 21-24) in the Draft EIR is well summarized and is generally consistent with the statements made and graphics presented by Neiman Marcus representatives at a prior informational

Comments on Draft EIR for Neiman Marcus Expansion Project

June 9, 1999

Page 2

presentation at the Landmarks Board. However, concerns were expressed that a Project Sponsor's objectives should not necessarily outweigh preservation policies and objectives.

2
CONT.

The date of construction of the 125-129 Geary Street Building should be checked and uniformly stated throughout the Draft EIR.

3

Listed among project approval requirements (pp. 24-26) is mention of a Planning Code Section 309 review of the project by the Planning Commission. Since there are important preservation issues involved in this project, the Landmarks Board recommends that the Planning Department and the Planning Commission solicit the input from the Landmarks Board for the Section 309 project review.

4

There was appreciation expressed by the Landmarks Board for the helpful summary of policies and objectives in San Francisco's General Plan, and it was noted how many seem pertinent to the proposed project.

5

III. HISTORIC ARCHITECTURAL RESOURCES.**A. Importance of the Clayburgh Building at 125-129 Geary.**

The Draft EIR should be augmented to show with better photographs and to explain with expanded narrative the distinctive features of the exterior facade of the building. Several members of the Landmarks Board commented on how close this particular building came to be rated as missing by one point a designation as a building of "Individual Importance." The Draft EIR should address whether this building's long-time location next to the very impressive City of Paris Building (demolished to make room from the Neiman Marcus Department Store) might have skewed the evaluation of its relative importance.

6

We agree with the conclusion on page 45 of the Draft EIR that this building should be considered a historical resource under CEQA and that its demolition should be considered a substantial adverse change that would be considered a significant adverse environmental effect.

7

Comments on Draft EIR for Neiman Marcus Expansion Project
June 9, 1999
Page 3

B. Inclusion in Kearny-Market-Mason-Sutter Conservation District.

The Landmarks Board was somewhat troubled by the conclusion in the Draft EIR on page 45 that the demolition of the 125-129 Geary Street Building would not materially impair the Conservation District. The Draft EIR should be augmented to address the issue of cumulative impacts on the District of horizontal expansions of larger retail/commercial enterprises which stretch out and demolish or substantially change smaller neighboring buildings to incorporate them into a even larger retail facility. In addition to the numerical analysis presented in the Draft EIR, attention should be given to the heightened qualitative effects of the mega-expansions of the Macy's Department Store and the proposed changes to the Emporium complex for a new Bloomingdale's Department Store.

8

IV. MITIGATION MEASURES.

The mitigation measures for loss of the historic architectural resources by demolition of the 125-129 Geary Street Building listed on pp. 55-56 are appropriate. We have no recommendations for changes or additions.

9

V. ALTERNATIVES.

At our June 2, 1999 hearing, we received a handout plus oral statements and a showing of graphics that presented the Project Sponsor's reasons for rejecting Alternatives to the project. We recommend that these materials, including some of the graphics, be included in the Final EIR.

10

There was interest among several of the Landmarks Board Commissioners for the EIR to consider an additional Rehabilitation/Preservation Alternative which would preserve the most important distinctive features of the exterior Geary Street facade of the 125-129 Building and yet allow the new floors to be installed in alignment with the floors in the existing Nieman Marcus Building and to adjust the window frames to minimize adverse visual impacts of floors cutting through window spaces. There was special interest in retaining the cornice as an exterior feature rather than including it within the new building as an interior reminder of its prior prominent location. In this case, so-called "facadism" is considered preferable to showcasing exterior features as a collection of ornaments on the interior of

11

Comments on Draft EIR for Neiman Marcus Expansion Project

June 9, 1999

Page 4

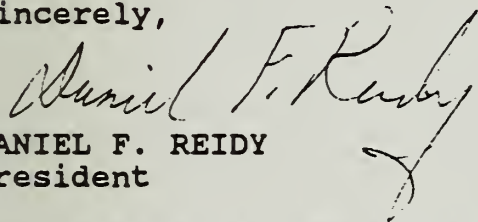
a building.

VI. Conclusion.

There was unanimous expression by the Landmarks Board Commissioners that an expansion of the Neiman Marcus Department Store would be of benefit to San Francisco. We hope that the City's decisionmakers will take our comments into consideration when finalizing the EIR for this project and making decisions about approving or conditioning the proposed expansion project.

12

Sincerely,

DANIEL F. REIDY
President

cc: Members of the Landmarks Board

LETTER A – LANDMARKS PRESERVATION ADVISORY BOARD

- A-1) As stated in DEIR footnote 13, p. 38 of the Draft EIR, that the complete Historic Architectural Evaluation report is available for review at the Planning Department. The report constitutes part of the administrative record that will be considered by the Planning Commission before it takes action on the EIR and the Project. Please see also the responses to Comments A-2 through A-12, below.
- A-2) The comment is noted. A statement of the Project sponsor's objectives is a required part of the project description of an EIR (State CEQA Guidelines, Section 15124(b)). Whether the Project sponsor's objectives outweigh preservation objectives and policies is for the decision-makers, not the EIR, to determine.
- A-3) The DEIR states at several locations that the 125-129 Geary Street building was constructed in 1908. One reference to a construction date of 1909, in the first line on DEIR p. 39, is hereby changed to indicated the more commonly referred to year of 1908, which is the year of construction indicated in the City's list of Unreinforced Masonry Buildings and in the State Office of Historic Preservation database. According to the Historic Architectural Evaluation by C. David Robinson Architects, the original building permit was filed on July 13, 1907, and the building was opened in 1909. The Historic Architectural Evaluation contains a clipping from the San Francisco Examiner dated March 28, 1909, touting the "Splendid New Home of Koenig & Collins," a women's clothing store that originally occupied the ground floor of 125-129 Geary Street. Given the move-in period required for a new store, it seems likely that construction was completed in 1908.
- A-4) The comment is noted. As stated at the end of the first paragraph on p. 25 of the EIR, Planning Code Section 309 permits the imposition of certain conditions on a project. Among these are potential modifications regarding "aspects of the project that affect its compliance with the provisions of Sections 1109(c), 1111.2(c), 1111.6(c), and 1113 regarding new construction and alterations in conservation districts" (Section 309(b)(9)). EIR p. 25 further describes approval requirements for both demolition of the 125-129 Geary Street building (Planning Code Section 1112.2) and alteration of the existing Neiman Marcus store building (Planning Code Sections 1111-1111.6). As stated on EIR p. 44, "an application for demolition of a Contributory Building in a conservation district [such as the 125-129 Geary Street building] shall be approved if a permit has been issued for a replacement structure, in accordance with Section 1113, which requires that new construction be compatible in scale and design with the conservation district." As noted on EIR p. 46, Section 1111.6(c) requires that major exterior alterations of Category V buildings located in conservation districts, such as the existing Neiman Marcus store building, must be compatible in scale and design with the conservation district in which the building is located. However, there is no explicit requirement for Landmarks Board review of either

demolition of a Category IV building from which no transferable development rights have been transferred or major alteration of a Category V building in a conservation district.¹

A-5) The comment is noted, and no response is required.

A-6) The Downtown Plan ratings were not based solely on distinctive architectural features. Rather, as stated in footnote 7 on EIR p. 33, the ratings were based on 13 separate categories in four classifications: Architecture (Style, Construction, Age, Architect, Design, Interior); History (Person, Event, Patterns); Environment (Continuity, Setting, Landmark); and Integrity. The EIR acknowledges, on p. 32, that

The 125-129 Geary Street building scored 44 points in the Downtown Plan survey, which is at the uppermost end of the 20 to 44 point range for “Contextual Importance.” The building was rated Very Good in style, construction, architect, age, design quality, design integrity, and continuity (relationship to the environment). It was rated Good for association with historical patterns of development, and was rated fair/poor in regard to design interior, association with historical persons, association with historical events, setting, and landmark. If the 125-129 Geary Street building had scored 45 points, it would have been deemed a building of “Individual Importance” and thus, in light of its “Very Good” ratings for Architectural Design and Relationship to the Environment, would have been labeled as a Category I (Significant) Building.

Further, on EIR p. 44, it is stated that, had the 125-129 Geary Street building “achieved a higher rating in any one of the 13 categories, it would have met the criteria for designation as a Category I (Significant) Building.” The building was rated Very Good, the second highest score, in style, construction, architect, age, design quality, design integrity, and continuity (relationship to the environment); the only fair/poor ratings were for design interior, association with historical persons, association with historical events, setting, and landmark. Although the 125-129 Geary Street building was not identified as a Category I building, as stated on p. 58, the EIR nonetheless concluded, “in light of the age, visual quality and detailing, and lack of major modifications to the 125-129 Geary Street building, as well as its role in the Conservation District,” that demolition of the building would constitute a significant impact.

The 125-129 Geary Street building is described in detail on EIR p. 39, and illustrated in Figures 6 and 7, pp. 41-42. In response to the commenter’s request, Figure C&R-1 presents an enlarged view of the building’s heavy cornice and supporting medallions.

Regarding the possible effect of the City of Paris store buildings on the Downtown Plan rating of the adjacent 125-129 Geary Street building, the City of Paris store buildings were demolished in 1979, prior to compilation of the Downtown Plan ratings.

¹ This interpretation of the Planning Code was confirmed by the Zoning Administrator in a May 5, 1999, letter to Susan R. Diamond of Brobeck, Phleger & Harrison. This letter is available for public review in Project File No. 98.813E at the



98.813E: Neiman Marcus Expansion (ESA 980423) ■
Figure C&R-1
 Detail of 125-129 Geary Street Building

SOURCE: Environmental Science Associates

- A-7) The comment is noted, and no response is required.
- A-8) Cumulative impacts of the Project and other past, present and probable future development on the Kearny-Market-Mason-Sutter Conservation District are discussed in the EIR on p. 48. As noted, the Conservation District retains most of its buildings and its character intact from the time that it was created. As a result, and given the great size of, and large number of buildings within, the District, the EIR concludes that cumulative development would not have a significant effect on the District. Additional information in response to the comment is provided below, but does not change this conclusion of the Draft EIR. Therefore, there is no need to add text to the EIR.

As stated on p. 38 of the EIR, new construction since the Kearny-Market-Mason-Sutter Conservation District was created has somewhat altered the character the area. Of 19 buildings facing Union Square, nearly half are modern, including the existing Neiman Marcus store building and the newly completed Macy's expansion project, which replaced two older, smaller buildings. Several buildings, including the Neiman Marcus store building and both the new Macy's building and the older portion of the Macy's store, at Stockton and O'Farrell Streets, are larger than the typical buildings in the Conservation District.

Regarding the Macy's expansion project, that project resulted in a single, larger building facing Union Square than what existed previously, but added fewer than 35,000 square feet² to the overall Macy's complex, which includes much of the block bounded by Geary, Stockton, O'Farrell, and Powell Streets (as well as a separate men's store building adjacent to the existing Neiman Marcus store building on Stockton Street). The Macy's project resulted in demolition of two buildings, including a Category IV building at 251-259 Geary Street. Demolition of this building was approved after the Landmarks Preservation Advisory Board found that the replacement construction would remove unsatisfactory and non-contributory elevations to the east and west of 251-259 Geary Street and would allow the redesign of an important segment of the Union Square "wall"; because the new construction could be used to seismically brace the main Macy's building (101 Stockton Street) to the south (a Category I building); and because the cumulative effect of the removal of 251-259 Geary Street would not impair the character or quality of the Conservation District as a whole.³

As stated in the EIR on p. 48, the proposed Yerba Buena Redevelopment Project Area Expansion / Emporium Site Development (Case No. 98.090E) would demolish most of the Emporium Building, a Category I structure within the Conservation District on Market Street. That project would retain the principal Market Street facade of the former Emporium building, as well as its dome and a portion of the interior rotunda. Visual effects within the Conservation

² Korve Engineering, *Macy's Renovation Transportation Study*, October 1996.

³ Landmarks Preservation Advisory Board, File No. 96.228ACEX, Resolution No. 493, November 6, 1996.

District, which does not extend south of Jessie Street, would thus be somewhat limited, and that project would not result in any horizontal expansion of a building within the Conservation District.

In light of the above, neither quantitative nor qualitative effects of these projects on the Conservation District, either individually or cumulatively, would be significant.

- A-9) The comment is noted, and no response is required.
- A-10) The sponsor's reasons for rejection of alternatives are briefly presented in the EIR for informational purposes; they are not required under CEQA. At the time the project is proposed for adoption, decision-makers must determine if the proposed alternatives are feasible. This determination will be made based on substantial evidence in the entire record. This evidence would include, but not be limited to, the EIR and materials presented by the Project sponsor (as well as other Project proponents and opponents, if applicable) to support their various perspectives. That is, the Project sponsor (and others) will have the opportunity to present additional, more detailed information to the decision-makers during their consideration of Project approval.

For more information on the Project sponsor's reasons for rejection of alternatives, please see comments made by the sponsor's attorney, in comment letter D (which includes additional graphic material), p. C&R. 29, and comments made by the sponsor and the sponsor's architects at the Draft EIR public hearing before the Planning Commission. These public hearing comments can be found on pp. C&R.51 - C&R.54. All of the noted comments are included herein, and are therefore included in the Final EIR.

- A-11) The alternative described by the commenter would appear to combine aspects of Alternative D, Rehabilitation Alternative, and Alternative E, Reconstruction Alternative, that are described in the EIR. The commenter's alternative would "adjust the window frames to minimize adverse visual impacts of floor cutting through window spaces," which would require modification and/or reconstruction of the Geary Street facade of the existing 125-129 Geary Street building. This alternative, while not resulting in floor levels inside the 125-129 Geary Street building that would be misaligned with the Geary Street windows, would retain less of the historic facade than either Alternative D or E, because it would relocate and/or reconstruct some of the windows. As presented by the commenter, this alternative would preserve and reuse as an exterior element the heavy decorative cornice on the existing 125-129 Geary Street building. Like Alternatives D and E, this alternative would avoid complete demolition of the 125-129 Geary Street building, but would not completely mitigate the significant effect on historic architectural resources, because only a portion of the facade of the existing 125-129 Geary Street building would be retained. Therefore, this alternative would not result in less substantial environmental effect on historic architectural resources than either Alternative D or Alternative E.

- A-12) The comment does not express an opinion regarding the adequacy of the Draft EIR, and no response is required. As part of these Comments and Responses, it will be forwarded to the decision-makers for their consideration.



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June 9, 1999

Ms. Hillary Gitelman, ~~Environmental Review Officer~~
San Francisco Planning Department
1660 Mission Street, 5th Floor
San Francisco, CA 94103

Re: Neiman Marcus Expansion Project EIR - 98.813E

Dear Ms. Gitelman:

San Francisco Architectural Heritage appreciates the opportunity to comment on the above-referenced Environmental Impact Report (EIR)

Environmental Setting and Impacts

In discussing the 1976 CITYWIDE SURVEY on page 33, after "buildings," on line 2, we ask that you insert "which resulted in" or similar wording, because there was not an initial intent to select "the best 10 percent of San Francisco's buildings." Instead, that was the approximate outcome.

The EIR does a careful job of defining words that may not be familiar to the lay reader. Consequently, it would be helpful if "bay" as used in the last paragraph on page 36 were defined. Many understand a bay window, but fewer may understand a building's bays.

Please clarify the DATE OF CONSTRUCTION of 125-129 Geary. On page 21, paragraph 2, the date is 1908, while page 39, paragraph one says 1909.

On page 40, paragraph one, architects Salfield & Kohlberg are discussed. Did they design other buildings in this Conservation District, in other parts of the Downtown or in other areas of the city? How do other examples of their work compare to 125-129 Geary?

Paragraph 2 on page 40 states that the State Office of Historic Preservation's "3S" rating for 125-129 Geary is based upon Heritage's rating. While this may be the case, it should be noted that the Landmarks Preservation Advisory Board and Planning Department staff completed an Unreinforced Masonry Survey some years ago, the results of which were forwarded to the State Office. If this building was included, the rating difference could be attributable to this source as well. The last sentence in that paragraph is a quote from the developers' historic preservation consultant, who may or may not be correct about the building's eligibility for listing in a variety of historic registers. The only way to determine eligibility would be to submit a detailed architectural and historical analysis to the State Office of Historic Preservation for a formal determination.

The third paragraph on page 40 directs the reader to photographs of the project on pages 41 and 42. The photos on page 42 are not clear. It would also be helpful to show clearly other buildings in this block, the entire block frontage on both sides of Geary.

RECEIVED

JUN 10 1999

CITY & COUNTY OF S.F.
DEPT. OF CITY PLANNING
ADMINISTRATION



1

2

3

4

5

6

Footnote 18 on page 43 does not correctly spell the source's last name, which is Howse.

7

Heritage's greatest concerns about this EIR are contained within the IMPACTS section on Pages 43 through 45. The SIGNIFICANCE CRITERIA on page 43 provides a good summary of the relevant CEQA guidelines. However, we question the use of the word "significant" in lines 4 and 6. It is our understanding that under the CEQA Guidelines a resource included in a local register shall be presumed to be historically or culturally significant and that public agencies must treat any such resource as significant. This makes use of the word "significant" unnecessary with respect to its identification on a local register. In other words, if a building is listed in a local architectural/historical register, it is a historic resource, regardless of the nomenclature used in that register, unless the local register clearly states that the building is not a historic resources. Even then, however, the lead agency is permitted under CEQA guidelines to determine that a resource is important.

Based upon the above, we do not agree with the following statements on pages 44 and 45 and ask that the EIR consultant discuss these with the State of California Office of Historic Preservation's CEQA staff, Ms. Carol Rowland at (916) 653-9514. We note that the State Office did not receive a copy of this DEIR, even though the Environmental Review Officer has been notified that the State Office wishes to receive copies of all EIRs that affect historic resources.

In paragraph one on page 44, we agree that the Geary Street building is listed in Article 11 of the City Planning Code, which was adopted after due public process, by the Board of Supervisors as Ordinance 414-85, on September 17, 1985. It is our position that all buildings listed in Article 11 are historically significant for purposes of CEQA and that the only difference between them is the manner in which they can be treated under the ordinance. Therefore, the following statement contained in the EIR is clearly incorrect: ". . .it is not identified as significant (i.e. of Individual Importance). . .but rather as being of Contextual Importance and as a Category IV (Contributory) Building. Therefore, the listing of the building in Article 11 does not meet the CEQA criterion for presumption of a historical resource that is based on identification of a resource as significant in a local register." On the contrary, CEQA Guidelines (Sec. 15064.5(2)) are clear—a resource included in a local register of historical resources (e.g. Article 11) is presumed historically significant.

8

In paragraph 2 on page 44, we take exception to ". . .it is not clear that listing as a Category IV building, in itself, would qualify the 125-129 Geary building as a historical resource under CEQA." In that same paragraph, please explain inclusion of the word "generally" in line 5.

In the first complete paragraph on page 45, please explain: "Based on the foregoing, even though the 125-129 Geary Street building does not strictly meet the definition of a historical resource under CEQA Section 21084.1. . . ." Why does it "not strictly meet"? Perhaps it would help to set forth verbatim this and other applicable guidelines/language so that decision makers will have the full text upon which to rely.

Later in that same paragraph, please explain: ". . .the City has concluded for purposes of this analysis. . . ." This same phraseology appears in the first paragraph on page 3 and the last paragraph on page 58. While we are pleased that the City has decided to call the Geary Street building a historic resource, we contend, as stated above, that the purpose of Section 21084.1 is to permit a lead agency to determine that a resource is historic when it has yet to be surveyed or otherwise added to a local register.

8
CONT

In the following paragraph under "Impacts on the. . .Conservation District," please explain: ". . .appears to qualify. . . ." It is clear that the Conservation District does qualify as a historic resource under CEQA for the reasons stated.

9

"Construction of Horizontal Extension. . ." on page 40 discusses architectural features and materials that are called for in Appendix E to Article 11, which deals with this particular Conservation District. It is noted that ". . .ornamentation and detailing, including cornice lines and belt courses, should draw on surrounding buildings." The next paragraph mentions ". . .a cornice element that would also serve as the balustrade for the balcony formed by the setback." These elements are not shown in the only drawing that is on page 18 and will be important to the Section 309 hearing. We know that it takes many months to prepare an EIR and think that perhaps these design elements have evolved more recently. If so, it would be helpful to include additional drawings and a discussion of compatibility with the Conservation District.

10

The first paragraph at the top of page 47 states that the new building will "be entirely glazed, with visible columns and beams, in a 'curtain wall' design. . . ." While the drawing on page 18 shows considerable glazing, the other elements are not apparent. Additional drawings would be helpful, especially since the new design is compared to the "City Landmark Hallidie Building." It is generally more appropriate for new construction to take direction from historic buildings nearby, preferably in the same block. What is the address of the "Bemiss Building," and is this the correct spelling? Although there are no drawings to show what is intended, Heritage would generally oppose ". . .reuse, as interior ornamentation, the exterior cornice and medallions from the existing 125-129 Geary Street building." This same concept is set forth also on pages 2 and 16.

11

Paragraph 2 on page 47 discusses an "espresso bar/cafe" in a 6-foot setback at street level, but this feature is not evident in the drawing on page 18. Perhaps this information is now available. This particular concept is brought forth time and again in the text as a reason why the developer can or cannot do something else. Consequently, we ask for some analysis as to the appropriateness of setting back a portion of a new building in this Conservation District, where buildings are generally required to be built to the lot line.

12

Mitigation Measures

The two Mitigation Measures suggested on pages 55 and 56 do not mitigate the loss of a historic resource. See *League for Protection of Oakland's*

13

Architectural and Historic Resources v. City of Oakland, et al., 52 Cal. App. 4th 896, [February 1997]. However, if additional documentation is required of Project Sponsor, Heritage should be added to the repositories listed.

A "plaque and/or other monument memorializing. . ." the loss of the City of Paris and 125-129 Geary would not only be in poor taste but would also remind the public that Project Sponsor has been responsible for the demolition of at least two architecturally and historically significant buildings.

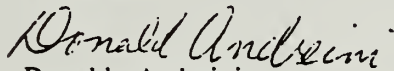
Alternatives

Alternatives C and D are discussed on pages 64-68, and in the Summary on pages 8-10. Heritage would like to see these alternatives developed more fully as part of this EIR and in preparation for the Section 309 hearing. We understand that additional information was provided to the Landmarks Preservation Advisory Board at its June 2nd meeting and that the Board also asked for inclusion of additional information about the Alternatives.

We note that Project Sponsor dismisses both of these alternatives for numerous reasons, including the fact that these would not provide "a reasonable return on investment." Although we do not believe the Project Sponsor's economic return is a consideration under CEQA, please explain this statement and include information on the impact of State Historical Building Code and the 20% Investment Tax Credit on the financial feasibility of these alternatives. We also look forward to seeing this information in the Section 309 application.

Thank you for providing the opportunity to comment on this most important environmental document.

Sincerely,


Donald Andreini
for the Issues Committee

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CONT.

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LETTER B – SAN FRANCISCO HERITAGE

- B-1) Comment noted. The point made by the commenter is contained later in the same paragraph on EIR p. 33, under “1976 Citywide Survey,” where the eighth line includes a sentence reading, “The architectural survey resulted in a listing of the best 10 percent of San Francisco’s buildings.” For clarification, the first sentence of that paragraph is revised as follows (deleted language indicated by ~~striketrough~~ text):

Between 1974 and 1976, the San Francisco Planning Department conducted a citywide survey of architecturally significant² buildings, rating ~~approximately~~ ~~the best 10 percent of San Francisco’s~~ buildings from a low “0” to a high of “5.”

- B-2) Comment noted. Footnote 11a is added following the phrase, “Many buildings are divided into bays^{11a}. . .” in the fifth line of the last paragraph on p. 36, as follows:

^{11a} A bay is a vertical element of the composition of a building wall contained between two projecting vertical bands such as piers, columns, or pilasters (see footnote 12, p. 38).

- B-3) Please see the response to Comment A-3, p. C&R.8.
- B-4) As stated on EIR p. 40, Salfield & Kohlberg designed two San Francisco landmarks, the Sentinel Building (now Columbus Tower) at Kearny Street and Columbus Avenue (Landmark No. 33), and the Edward Coleman house at 1701 Franklin Street at California (Landmark No. 54). Salfield & Kohlberg were responsible for more than a dozen buildings built in San Francisco prior to the 1906 earthquake and fire, including a synagogue at California and Stockton Streets and a commercial building at California and Front Streets, both of which were destroyed in the fire. In all, Salfield & Kohlberg are known to have designed more than 35 buildings, according to information on file with San Francisco Heritage.⁴ These include the Marine Building at 158-160 California Street, a Category I (Significant) building under Planning Code Article 11 that was demolished after sustaining structural damage in the 1989 Loma Prieta earthquake. Within the Kearny-Market-Mason-Sutter Conservation District, the only known Salfield & Kohlberg structures in addition to the 125-129 Geary Street building are buildings at 325-329 Kearny Street, a Category IV (Contributory) structure, and at 200 Powell Street at O’Farrell Street (the former Omar Khayyam’s restaurant building), a Category I (Significant) building. However, this latter structure, built in 1906, was substantially remodeled in the Moderne style in 1933, and bears little resemblance to the original Salfield & Kohlberg design. The firm designed a building at 70-72 Second Street, which is a contributory structure in the New Montgomery-Second Street Conservation District; several buildings in an near Chinatown; and more than half a dozen buildings – mostly houses – in the Richmond District.

⁴ Files reviewed on June 30, 1999.

- B-5) As stated on EIR p. 34, the State Office of Historic Preservation (OHP) database indicates that the Heritage survey was the basis of the 125-129 Geary Street building's listing as 3S on the OHP database. However, as noted in footnote 9 on EIR p. 34, according to current and former Heritage staff, it appears that the translation of the Heritage ratings into the OHP database, which required the completion of State Historic Resources Inventory forms (DPR Form 523) occurred as a separate step after the completion of the Heritage inventory. It further appears that many Heritage C-rated ("of contextual importance") buildings within areas identified in the Heritage survey as potential National Register-eligible historic districts were included in the OHP inventory with ratings of 3S, "appears eligible for listing in the National Register as a separate property." Regarding the evaluation of the 125-129 Geary Street building's potential eligibility for the State or National Registers, the EIR clearly notes on p. 40 that the source of this evaluation is the Historic Architectural Evaluation by C. David Robinson Architects. Even if the OHP were to determine that the building is eligible for the National Register of Historic Places or the California Register of Historical Resources, such a determination would not change the conclusion of the EIR, which deemed the building to be a historical resource and its demolition to be a significant impact.
- B-6) The photographs in Figure 7, EIR p. 42, show all the buildings on the Project side of the Project block of Geary Street. The intention of this figure is to depict the existing 125-129 Geary Street building in context, which is accomplished by this figure, even though it may not be possible to discern details of surrounding buildings. Figure 5, p. 37, indicates that all of the buildings save the building at the corner of Geary and Stockton Streets are either Category I (Significant) or Category IV (Contributory). Although the point illustrated by this figure is the ratings of nearby buildings, photographs of the buildings on the north side of the project block of Geary Street, opposite the project site, are provided for informational purposes in Figure C&R-2.
- B-7) The spelling of Cynthia Howse is hereby corrected in footnote 18, p. 43 of the EIR.
- B-8) It is the interpretation of Planning Department staff that the language in CEQA Section 21084.1 does not mean that every property listed in Article 11 of the Planning Code is presumptively a historical resource within the meaning of CEQA. Section 21084.1 states:

A project that may cause a substantial adverse change in the significance of an historical resource is a project that may have a significant effect on the environment. For purposes of this section, an historical resource is a resource listed in, or determined to be eligible for listing in, the California Register of Historical Resources. Historical resources *included in a local register of historical resources, as defined in subdivision (k) of Section 5020.1*, or deemed significant pursuant to criteria set forth in subdivision (g) of Section 5024.1, are presumed to be historically or culturally significant for purposes of this section, unless the preponderance of the evidence demonstrates that the resource is not historically or culturally significant. The fact that a resource is not listed in, or determined to be eligible for listing in, the California Register of Historical Resources, not included in a local register of historical resources, or not deemed significant pursuant to criteria set forth in subdivision (g) of



SOURCE: Environmental Science Associates

98.813E: Neiman Marcus Expansion (ESA 980423) ■

Figure C&R-2
Buildings on North Side of
Geary Street

Section 5024.1 shall not preclude a lead agency from determining whether the resource may be an historical resource for purposes of this section [emphasis added].

The italicized language, which discusses resources identified in a local register of historical resources, is repeated nearly verbatim in CEQA Guidelines Section 15064.5(a)(2). Both the statute and the Guidelines refer to a local register of historical resources as defined in Public Resources Code Section 5020.1(k). This section states:

“Local register of historical resources” means a list of properties *officially designated or recognized as historically significant* by a local government pursuant to a local ordinance or resolution [emphasis added].

Because Article 11 categorizes resources as having differing degrees of historic architectural importance (see Table C&R-1), and because, as noted on EIR p. 44, “demolition of Category IV buildings from which no development rights have been transferred, as is the case with 125-129 Geary Street, is generally permitted under Article 11,” the EIR determined that, as a Category IV building, the existing 125-129 Geary Street building does not meet the test of being “officially designated or recognized as historically significant,” and therefore is not presumptively deserving of status as a historical resource under CEQA. Thus, evaluating the impacts of demolition of a Category IV building requires more than simply a presumption that such a building is a historical resource under CEQA; it requires an individual analysis of the importance, or lack thereof, of the particular building, which was performed in the EIR for the 125-129 Geary Street building. Having completed that analysis, the EIR (p. 58), as noted by the commenter, concluded, that the 125-129 Geary Street building constitutes a historical resource under CEQA and that “in light of the age, visual quality and detailing, and lack of major modifications to the 125-129 Geary Street building, as well as its role in the Conservation District,” that demolition of the building would constitute a significant impact. Note that for purposes of CEQA analysis, it makes no difference whether the building is deemed to be a historical resource because of its inclusion in Article 11 or because of the City’s analysis that the building constitutes a historical resource although it does not meet the criteria for a presumption of such – in either event, the building would be considered a historical resource under CEQA and the impact of its demolition would have to be analyzed accordingly, as it has been in this EIR.

Regarding the commenter’s query concerning the use of the word “generally” in line 5 of paragraph 2 on EIR p. 44 (in the sentence, “Moreover, as noted in the Setting, demolition of Category IV buildings from which no development rights have been transferred, as is the case with 125-129 Geary Street, is generally permitted under Article 11.”), the next sentence on p. 44 states, “Under Section 1112.2 of the Planning Code, an application for demolition of a Contributory Building in a conservation district shall be approved if a permit has been issued for a replacement structure, in accordance with Section 1113, which requires that new construction be compatible in scale and design with the conservation district.” The word “generally” was used to indicate that the normal practice would be for the Zoning Administrator to approve an

TABLE C&R-1
RATINGS OF BUILDINGS UNDER PLANNING CODE ARTICLE 11^a

Parameter	Significant Buildings		Contributory Buildings		Unrated Buildings	
	Category I	Category II ^b	Category III	Category IV	Category V	
Conservation District	Inside or Outside	Inside or Outside	Outside	<i>OR</i>		Inside or Outside
Age	≥ 40 yrs.	≥ 40 yrs.	≥ 40 yrs.	≥ 40 yrs.	≥ 40 yrs.	Any Age
Importance	Individual	Individual	Individual	Individual	Contextual	Not designated
Architectural Design	Excellent	Excellent	Very Good	Very Good	Very Good	Not designated
<i>OR</i>						
Architectural Design	<i>or</i> Very Good	<i>or</i> Very Good	<i>or</i> --	<i>or</i> --	<i>and/or</i> --	Not designated
Relationship to the Environment	and Very Good	and Very Good	Excellent or Very Good	Excellent or Very Good	Excellent or Very Good	Not designated

^a Article 11 applies to buildings within the C-3 zoning districts only.

^b Category II buildings differ from Category I buildings in that Category II buildings, because of their depth and relationship to other structures, may be added to without affecting their architectural quality and relationship to the environment and without affecting the appearance of the retained portions.

SOURCE: Planning Code Section 1102

application for demolition of a Category IV building (from which no TDR have been transferred) as long as a replacement building has been approved.

The Planning Department regrets that, because of an oversight concerning the distribution list for this EIR, the State Office of Historic Preservation (OHP) did not receive the Draft EIR during the comment period. The Department acknowledges receipt of the request to transmit to the OHP all Draft EIRs for projects that affect historic resources. The Department has sent subsequently published EIRs for such projects to the OHP, and will continue to do so. As a courtesy, the Draft EIR and this Summary of Comments and Responses are being sent to the OHP.

- B-9) The first sentence of the first paragraph under “Impacts on the Kearny-Market-Mason-Sutter Conservation District” on EIR p. 45 is revised as follows (new language is underlined; deleted language is indicated with ~~strikethrough~~):

The Kearny-Market-Mason Sutter Conservation District ~~appears to qualify as a whole~~ qualifies as a historical resource under CEQA because of its inclusion in a local register of historical resources (*i.e.*, Planning Code Article 11).

The above revision does not affect the conclusions of the Draft EIR; namely, that the Project would not result in a significant effect, either alone or cumulatively, on the Kearny-Market-Mason Sutter Conservation District.

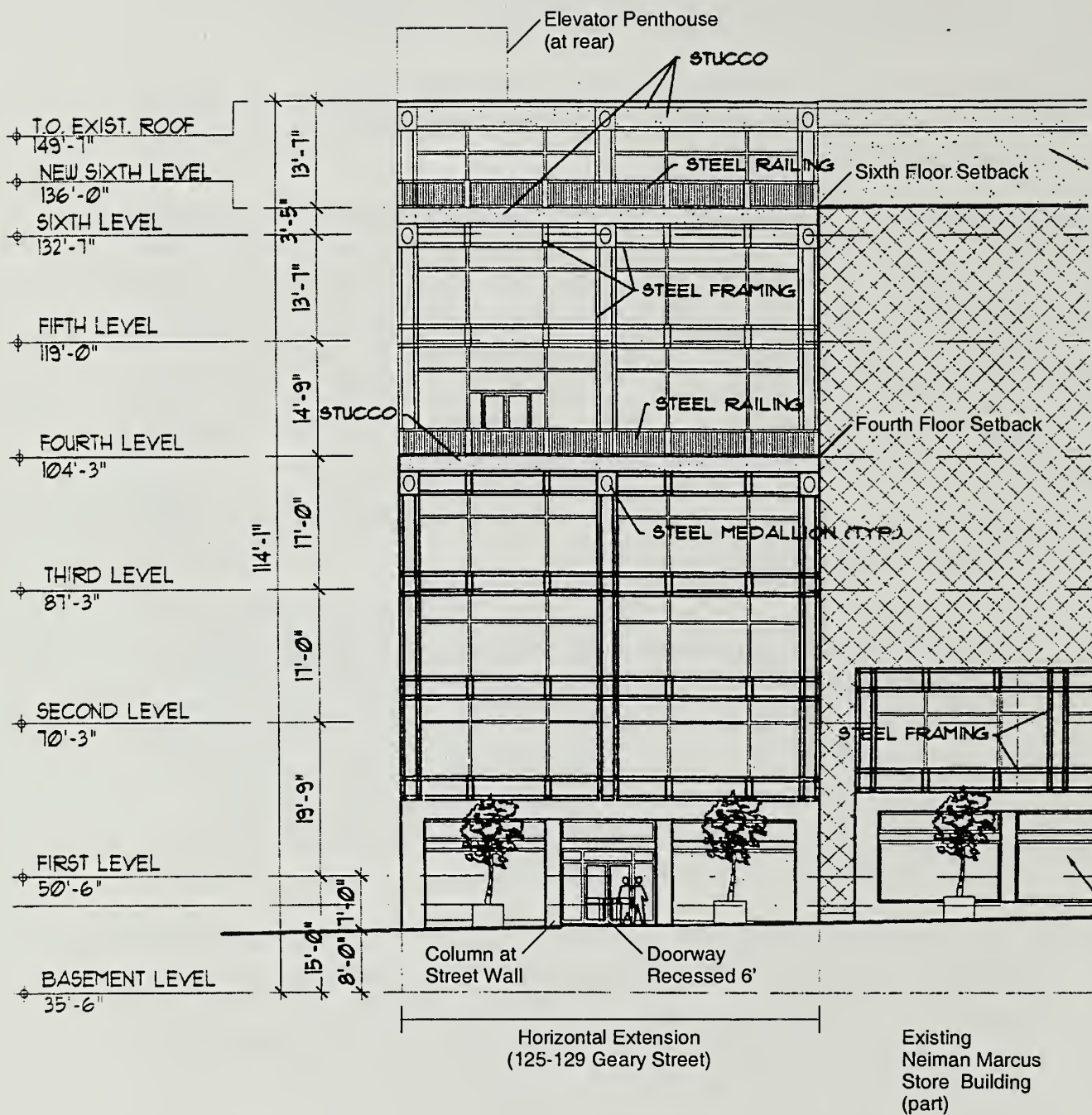
- B-10) The cornice lines are depicted in Figure 2, EIR p. 18, as the horizontal elements just below the heavy black lines adjacent to the notations “Fourth Floor Setback” and “Sixth Floor Setback,” as there would be a cornice at the top of each portion of the street wall. The balustrade is shown as the heavy black line (actually a railing, the vertical bars of which are too close together to be reproduced) at the height labeled “Fourth Floor Setback.” The balcony would be behind this railing. Figure C&R-3 shows the proposed horizontal extension in a larger format. (See also Figure 4, EIR p. 20, which indicates the “Fourth Floor Roof”; this would be the location of the balcony.) A similar railing would exist at the sixth story setback.

Regarding compatibility of the proposed horizontal extension with the Conservation District, this is discussed on EIR pp. 46-47; p. 46 states:

“The facade and architectural features of the horizontal extension are intended to be compatible with the identified architectural character of the Kearny-Market-Mason-Sutter Conservation District, including its scale, massing, materials and details. The extension would be fenestrated with a facade grid proportionately in keeping with that typical of the Conservation District. Relating to the District, the street facade would be set back at the 65 foot height (the fourth floor) and capped with a cornice element that would also serve as the balustrade for the balcony formed by the setback. The typical facade grid would continue at the street frontage as it steps back to the sixth floor.”

On p. 47, the EIR notes that the facade of the horizontal extension would be a glazed curtain wall reminiscent of early 20th century commercial architecture (see the following comment). Page 47 concludes, “In view of the above, the design of the proposed new horizontal extension . . . would generally be consistent with the direction in Planning Code Section 1113,” which requires that new construction in a conservation district be compatible in scale and design with the district.

- B-11) The columns and beams are visible in Figure 2, EIR p. 18: the columns are the vertical elements (more appropriately called steel piers) at either side of the facade and extending up the center line, while the beams are the horizontal elements that divide each floor from the next. The building as shown would consist of two bays above the ground floor. The ground floor would be divided into three bays, with the building entrance in the center. (See also Figure C&R-3.)



SOURCE: Diedrich NBA Architects

98.813E: Neiman Marcus Expansion (ESA 980423) ■

Figure C&R-3
Proposed Horizontal Extension
(Enlargement of EIR Figure 2)

The Bemiss Building, at 266 Sutter Street, is described in *Splendid Survivors*, the 1979 book that contains the results of the Heritage downtown survey, as a building that “perhaps deserves the title of the ‘world’s first’” glass-walled structure, in that it was built nearly 10 years before the City Landmark Hallidie Building at 130-150 Sutter Street. The Bemiss and Hallidie Buildings are on Sutter Street west and east, respectively, of Kearny Street, and are each approximately three blocks from the 125-129 Geary Street building. The Bemiss Building is a five-story structure whose upper four floors each contain three very large windows. While the Hallidie Building has a Sutter Street frontage of more than 100 feet, the Bemiss Building, with a 30-foot frontage on Sutter Street, is more similar in proportions to the proposed horizontal extension.

Regarding the comment that “it is generally more appropriate for new construction to take direction from historic buildings nearby, preferably in the same block,” the comment is noted as a matter of conservation and design philosophy. Section 7 of Appendix E to Article 11 of the Planning Code, which sets standards and guidelines for new construction in the Kearny-Market-Mason-Sutter Conservation District, states that

construction shall be compatible with the District in general with respect to the building’s composition and massing, scale, materials and colors, and detailing and ornamentation Emphasis shall be placed on compatibility with those buildings in the area in which the new or altered building is located.

As noted, the Hallidie and Bemiss Buildings are each within about three blocks of the project site, which would appear to be within the project area within the meaning of Section 7. Further, with regard to detailing and ornamentation, Section 7 notes that because the Kearny-Market-Mason-Sutter Conservation District “has one of the largest collections of finely ornamented buildings in the City, these buildings should serve as references for new buildings.” The Project architect has elected to use the Hallidie Building and Bemiss Building as such references.

The commenter’s opposition to the use of the existing exterior cornice and medallions as interior ornamentation is noted and, as part of these Comments and Responses, it will be forwarded to the decision-makers for their consideration.

- B-12) The Project proposes to construct the upper floors of the horizontal extension to the lot line on Geary Street. The entrance, from street level to about 13 feet in height, would be recessed approximately six feet at street level to accommodate the proposed espresso bar/cafe. According to the Project sponsor, this space would not be a void or a vacant arcade, but would be occupied by cafe tables and cafe equipment and would therefore function as a component of the building while also providing pedestrian interest.
- B-13) The EIR states, on p. 55, that all the identified mitigation measures for historic architectural resources “would reduce but not eliminate significant adverse effects related to demolition of the

125-129 Geary Street building.” Accordingly, the EIR concluded that demolition of this building would result in a significant, unmitigated effect on historic architectural resources. The documentation identified in Mitigation Measure A.1 would be publicly available at the Main Library, among other locations.

The commenter’s opposition to the placement of a plaque or other monument is noted and, as part of these Comments and Responses, it will be forwarded to the decision-makers for their consideration.

- B-14) The EIR contains an extensive discussion of four alternatives to the proposed Project, in addition to the No Project Alternative, on pp. 62-71, and concludes that Alternative B, Expansion of Existing Neiman Marcus Store Building, and Alternative C, Preservation Alternative, would avoid the Project’s significant effect on historic architectural resources, in that these alternatives would not result in the immediate demolition of the existing 125-129 Geary Street building (although neither would guarantee the building’s long-term preservation). Alternative D, Rehabilitation Alternative, and Alternative E, Reconstruction Alternative, would both avoid complete demolition of the 125-129 Geary Street building, and therefore would reduce effects on historic architectural resources, compared to those of the Project. However, neither of these latter two alternatives would completely mitigate the Project’s significant effect on historic architectural resources, because neither would fully retain the existing 125-129 Geary Street building.

For more information on the Project sponsor’s reasons for rejection of alternatives, please see comments made by the sponsor’s attorney, in comment letter D (which includes additional graphic material), p. C&R. 29, and comments made by the sponsor and the sponsor’s architects at the Draft EIR public hearing before the Planning Commission. These public hearing comments can be found on pp. C&R.51 - C&R.54. All of the noted comments are included herein, and are therefore included in the Final EIR.

As acknowledged by the commenter, financial issues, including potential effects on the Project’s economic return and possible cost savings through use of the State Historic Building Code or federal tax credits, need not be discussed in an EIR.

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June 10, 1999

The Environmental Review Officer
San Francisco Planning Department
1660 Mission Street
San Francisco, CA 94103

RE: Neiman Marcus Expansion Project Draft EIR

To Whom It May Concern:

This office believes that the draft EIR cited above appears to satisfy the intent of the California Environmental Quality Act with regard to the demolition and expansion project. As detailed within the draft report, the 125-129 Geary Street building has been determined to be a moderately significant historical cultural resource on a number of levels. The Office of Historic Preservation has determined that the building appears eligible for listing on the National Register of Historic Places as a separate property. However, actual determination has not been made. Nevertheless, the draft document provides enough detail of the historic significance of the 125-129 Geary Street Building as an individual property, as well as a contributing element to the historical fabric of a district, to make an informed decision.

We have no further comment and appreciate the opportunity to contribute to the planning process.

Sincerely,

Mark D. Selverston
Assistant Coordinator



LETTER C – NORTHWEST INFORMATION CENTER

C-1) The comment is noted. No response is required

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June 8, 1999

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 Environmental Officer
 Major Environmental Analysis Group
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Ms. Susanna Montana
 Planner
 Planning Department
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Re: Neiman Marcus Expansion Project -- Draft EIR Alternatives (Case No. 98.813E)

Dear Hillary and Susanna:

As you know, at the June 2, 1999 hearing of the Landmarks Preservation Advisory Board ("LPAB") on the Draft Environmental Impact Report ("Draft EIR") for the Neiman Marcus Expansion Project ("Project"), Neiman Marcus presented certain oral, graphic and written information explaining why the alternatives identified in the Draft EIR are not feasible for Neiman Marcus and fail to achieve the Project Objectives. Based on the comments of the LPAB, it appears that the information presented was helpful in allowing the public and the LPAB to better understand the Draft EIR alternatives. In order to make this information available to the Planning Commission during its consideration of the EIR and the Project, we have enclosed: (i) a bullet point summary of the Project sponsor's June 3, 1999 presentation to LPAB, (ii) color copies of the graphics shown in that presentation, and (iii) a copy of the written analysis of the alternatives against the Project Objectives that was distributed at the presentation. Please accept this information as the Project sponsor's comments on the Draft EIR.

1

Ms. Hillary Gitelman
Ms. Susanna Montana



June 8, 1999
Page 2

Please do not hesitate to contact me if you have any questions with regard to the enclosed.

Very truly yours,

A handwritten signature in black ink, appearing to be "Margo N. Rabinovitz", written over the typed name.

Margo N. Rabinovitz

Enclosures

cc: Mr. Thomas J. Lehn (w/o encls.)
Mr. Clifford J. Suen (w/encls.)

REMARKS TO LANDMARKS PRESERVATION ADVISORY BOARD
BY TOM LEHNEN OF NEIMAN MARCUS
JUNE 2, 1999

Before addressing questions from the April 21 presentation of Neiman Marcus' San Francisco expansion project, team member Tom Lehen briefly reviewed two key issues: the project alternatives and why a two-store alternative was not chosen.

- In the Draft EIR, Neiman Marcus studied four potential alternatives to our proposed horizontal extension plan using the adjacent property at 125-129 Geary Street.

figure 1

- The first option was to add two new upper floors to the existing Neiman Marcus store and not use the 125-129 Geary building at all.
- The next two options (Preservation and Reconstruction) are two-store scenarios. These options involve bringing the 125-129 Geary building up to either UMB code or current code for new construction and using the restored building for retail use as a second store.
- The final option (Rehabilitation) was to build out the extension as one store, primarily preserving the facade from the 125-129 Geary building.
- The first option - simply vertically expanding the existing store - is restricted by City code which prohibits any new shadow on Union Square. Neiman Marcus would be limited to constructing only a partial sixth story - not enough to expand our store.
- With that alternative eliminated, Neiman Marcus moved to the two-store reuse scenarios for 125-129 Geary. But the 125-129 Geary building has fatal flaws which prevent us from creating a project suitable for our retail needs.

- First, the building is subject to the City's UMB requirements and needs major seismic upgrades to meet even the UMB code. It was not designed for retail use above the first floor, requiring Neiman Marcus to make additional structural changes for the floors to be able to handle retail loads.

figure 2

- Second, the floors are not at the same level as the floors in the Neiman Marcus building. In the elevation on the left, the floor levels in 125-129 Geary vary by as much as 11 feet from the same floor in the Neiman Marcus building. Look at the purple floors as an example.
- By contrast, the elevation on the right shows that, in the Neiman Marcus project, the floor plates are continuous throughout the existing building and the expansion space.
- Third, the ceiling heights are much lower than Neiman Marcus requires and do not allow us to provide an open, airy impression at any level. To ensure an open visual impression, Neiman Marcus requires ground level ceilings to be 14-16 feet, with all upper floors at a minimum of 12 feet high. As you can see in the elevation on the left, the ceilings of 125-129 Geary average 9 feet high, much lower than the heights of the existing store. These heights are completely unacceptable to Neiman Marcus.

figure 3

- Fourth, in the two-store scenarios, Neiman Marcus would not gain an acceptable amount of sales floor space. We would be required to duplicate all essential facilities such as vertical transportation and non-selling areas. This reduces the available square footage to 55% of the floor plate, cutting the return on our investment.

- In figure 3, the left drawing shows a two-store scenario and the right drawing represents the extended floor plates in the horizontal extension plan. The orange areas represent sales floor space and the yellow areas show non-selling areas. As you can see, we gain significantly less sales floor space in the two-store scenario.
- Finally, in addition to the construction challenges presented by the alternatives, a two-store scenario is completely incompatible with Neiman Marcus' Merchandising Standards. Five years ago, we considered the option of creating a second store on Union Square to allow us to expand our business, but passed because of the merchandising problems it would create.
- A two-store scenario forces Neiman Marcus to separate departments on different vertical floors of a building, rather than spreading them across large floor plates. For example, instead of all accessories on one floor, we might have handbags on one and jewelry on another. The Neiman Marcus Group experimented with this vertical approach in its Bergdorf Goodman stores with disastrous results which were not satisfactory in any way.
- Because Neiman Marcus plans to expand multiple departments of the store, not just the men's department, we would be forced to split related departments between both buildings. This would drastically reduce, if not eliminate, cross-selling opportunities arising when shoppers visit multiple departments in a trip to one store. This, coupled with the reduced amount of sales floor space in the two-store scenario, make both the Preservation and Reconstruction alternatives unacceptable.

figure 4

- The last option - The Rehabilitation Alternative - provides the opportunity to join the two properties into one store by demolishing the West wall and entire interior of 125-129 Geary and the East wall of the existing Neiman Marcus store to connect the two. The Geary Street facade of each building would remain unchanged.

figure 5

- Additionally, if the 125-129 Geary building is to be used for retail, a new loading dock would be required. Both the West wall adjacent to the Neiman Marcus store and the South wall of the 125-129 Geary building that faces Security Pacific Place will have to be redesigned. The new dock, when used for the expanded store, will provide direct street access without using the existing easement through the adjacent Macy's property.

figure 4

- The east wall of 125-29 Geary borders other buildings and is not visible. Thus, the Rehabilitation Alternative leaves Neiman Marcus with only the Geary Street-facing wall available to be preserved and viewed in its original form. It reduces the preservation of this building to nothing more than facadism.

figure 6

- Furthermore, this rehabilitation alternative involves demolishing the interior of the 125-129 Geary building and building new floors in 125-129 Geary to align with the floors of the existing store, which creates a new problem. If the floors within 125-29 Geary are reconstructed to align with the floors in the existing store, these new levels, shown in red, would bisect the windows on the building's facade, shown in blue.

figure 3

- This would force Neiman Marcus to pull the floors back away from the facade and place "light boxes" behind the windows to hide the floors as seen in yellow in the floor plan on the right. These light boxes would eliminate any transparency of vision or light into the store. In addition, the light boxes would reduce the size of the additional sales floor.

figures 7 and 8

- For several reasons, none of these alternatives allows Neiman Marcus to perform the exterior revisions of the existing store building, such as remodeling the fenestration at the Stockton and Geary entrance or sandblasting the entire exterior to mute the harlequin pattern. These changes are intended to make it more compatible with the Conservation District. In particular, these exterior changes, illustrated in figure 8, include:
 1. use of facade grid fenestration along the entire exterior of the extended building, typical in scale and pattern of the Conservation District
 2. transparent facade and sidewalk cafe at East Entrance which contributes to the streetscape
 3. bookend treatment of the two entrances which ties the existing store to the horizontal extension
 4. enhanced transparency at the Geary/Stockton entrance reveals the City of Paris rotunda
 5. muting the harlequin pattern to soften the color but retain the diagonal joints
- These changes would not "read" as being more compatible with the Conservation District absent the architectural transition provided by the proposed Geary Street facade of the horizontal extension.
- Also, the higher costs associated with any of the alternatives make it financially impossible for us to complete the proposed changes without both the horizontal and vertical expansions.
- I hope Neiman Marcus has clearly addressed the potential problems the project alternatives present. We are also providing you with a summary document which includes text explanations of the project alternatives. If you have any further questions, my team and I would be happy to answer them.

PROJECT ALTERNATIVES

B - VERTICAL EXPANSION OF EXISTING STORE

- Alternative does not include 125-129 Geary
- Adds partial sixth story to Neiman Marcus store
- Neiman Marcus exterior/interior unchanged

C - PRESERVATION ALTERNATIVE

- 125-129 Geary upgraded to UMB Code
- Neiman Marcus exterior/interior unchanged

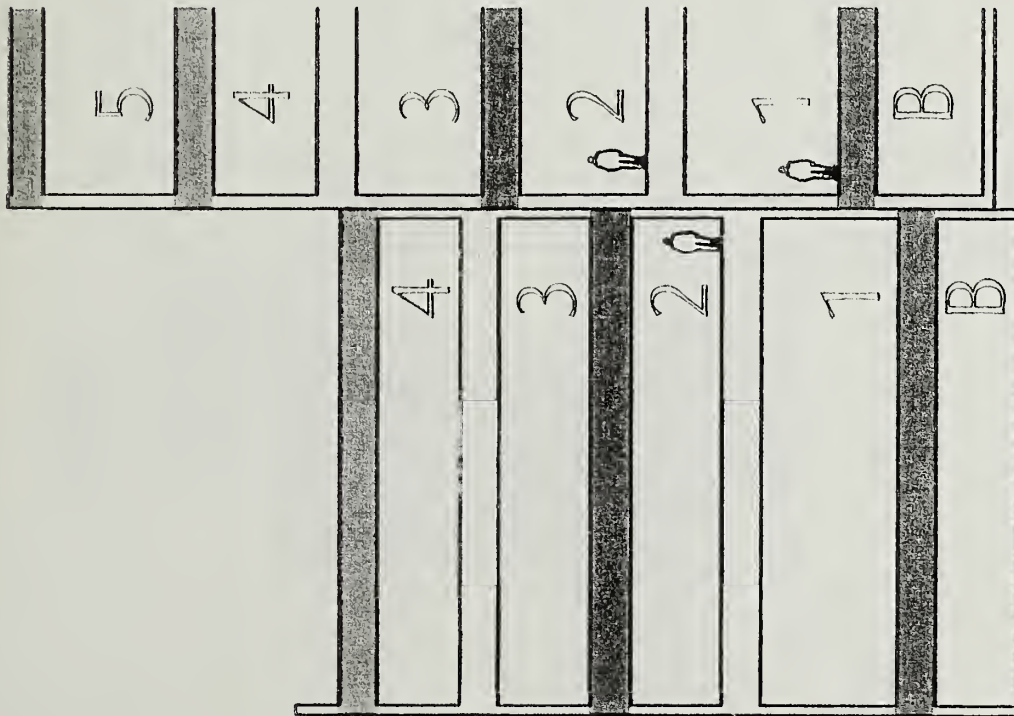
E - RECONSTRUCTION ALTERNATIVE

- 125-129 Geary dismantled and reconstructed to current City codes for new construction
- Neiman Marcus exterior/interior unchanged

D - REHABILITATION ALTERNATIVE

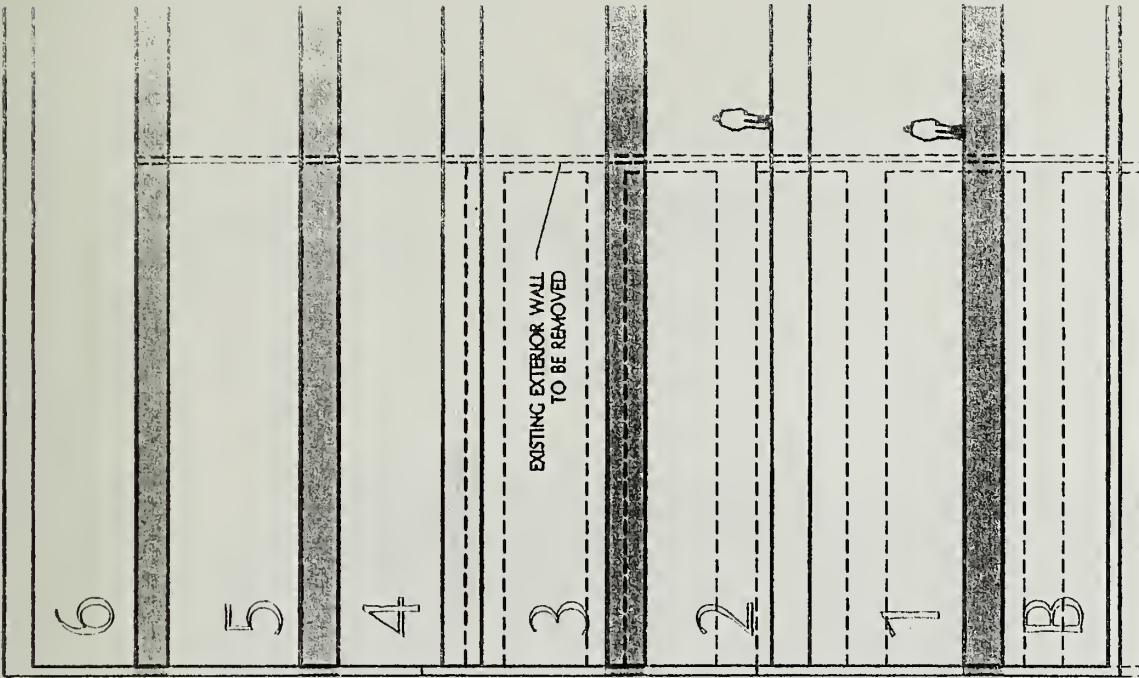
- 125-129 Geary interior demolished and floors aligned with existing store
- 125-129 Geary West and South walls demolished; facade preserved
- Meets City codes for new construction
- Neiman Marcus store exterior unchanged

ABOVE 1ST FLOOR:
TYPICAL F.R. TO F.R. = 13'-6"
TYPICAL CEILING HT. = 9'-0"



BUILDING SECTION
PRESERVATION ALTERNATIVE -C
RECONSTRUCTION ALTERNATIVE -E

ABOVE 1ST FLOOR:
TYPICAL F.R. TO F.R. = 17'-6"
TYPICAL CEILING HT. = 12'-0"

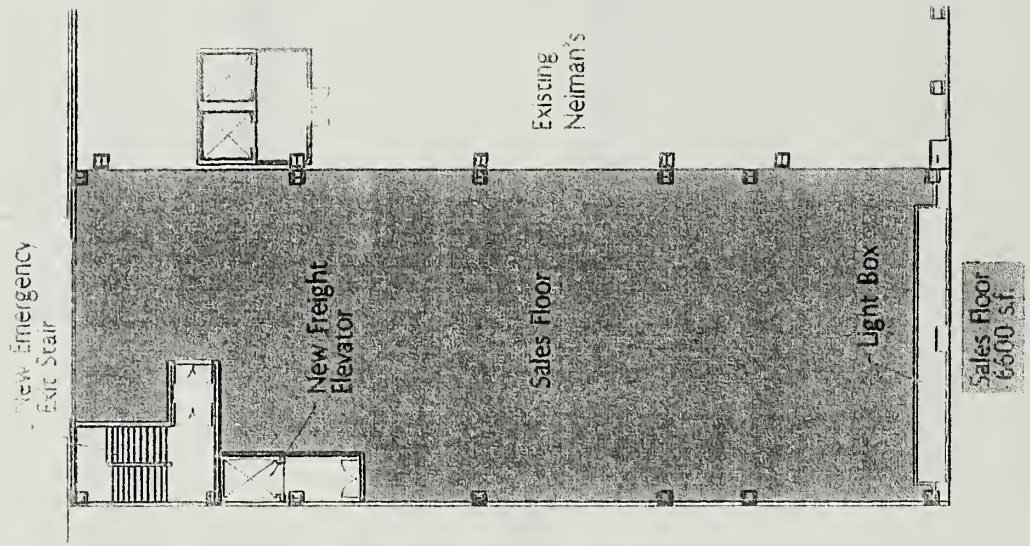


BUILDING SECTION
REHABILITATION ALTERNATIVE -D

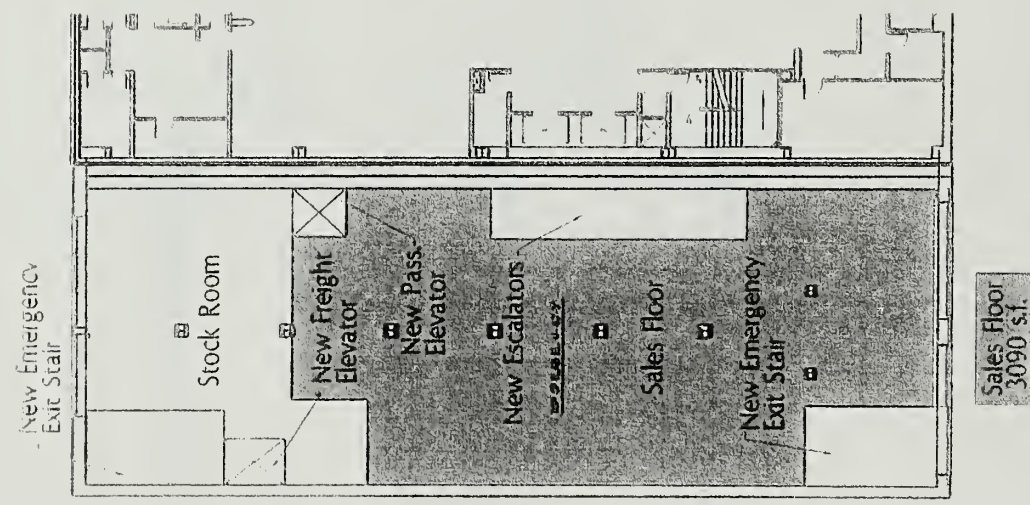
Diedrich & NEA

See Building Section
for details of
structure, materials,
and construction
methods.

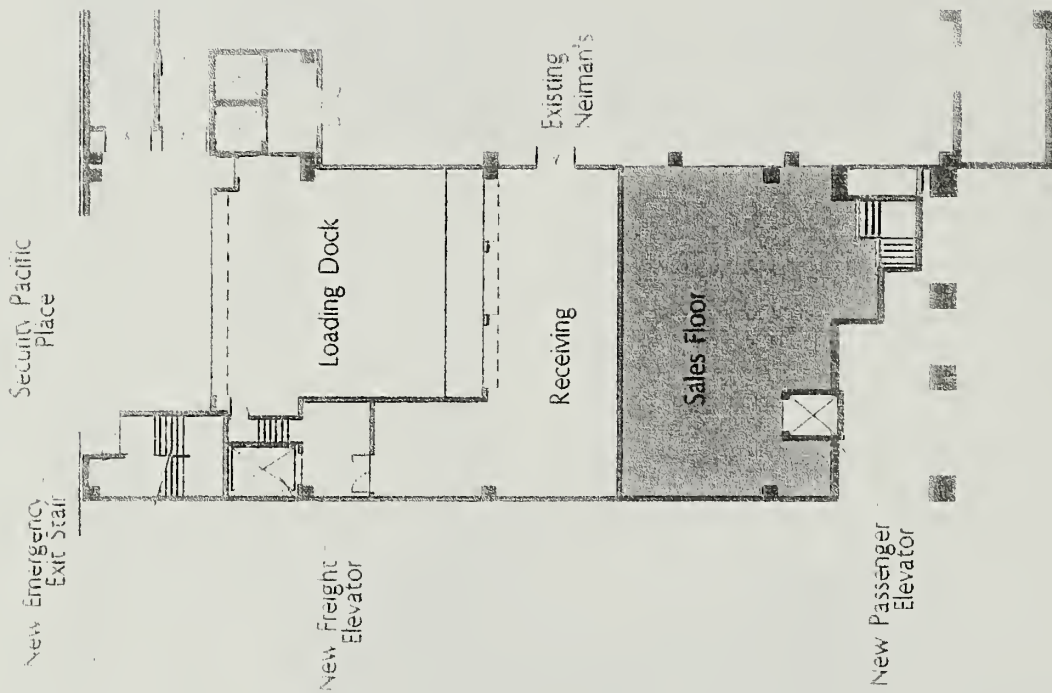
Scale
1" = 1'-0"



CONTINUOUS STORE
 TYPICAL FLOOR PLAN
 REHABILITATION ALTERNATIVE -D



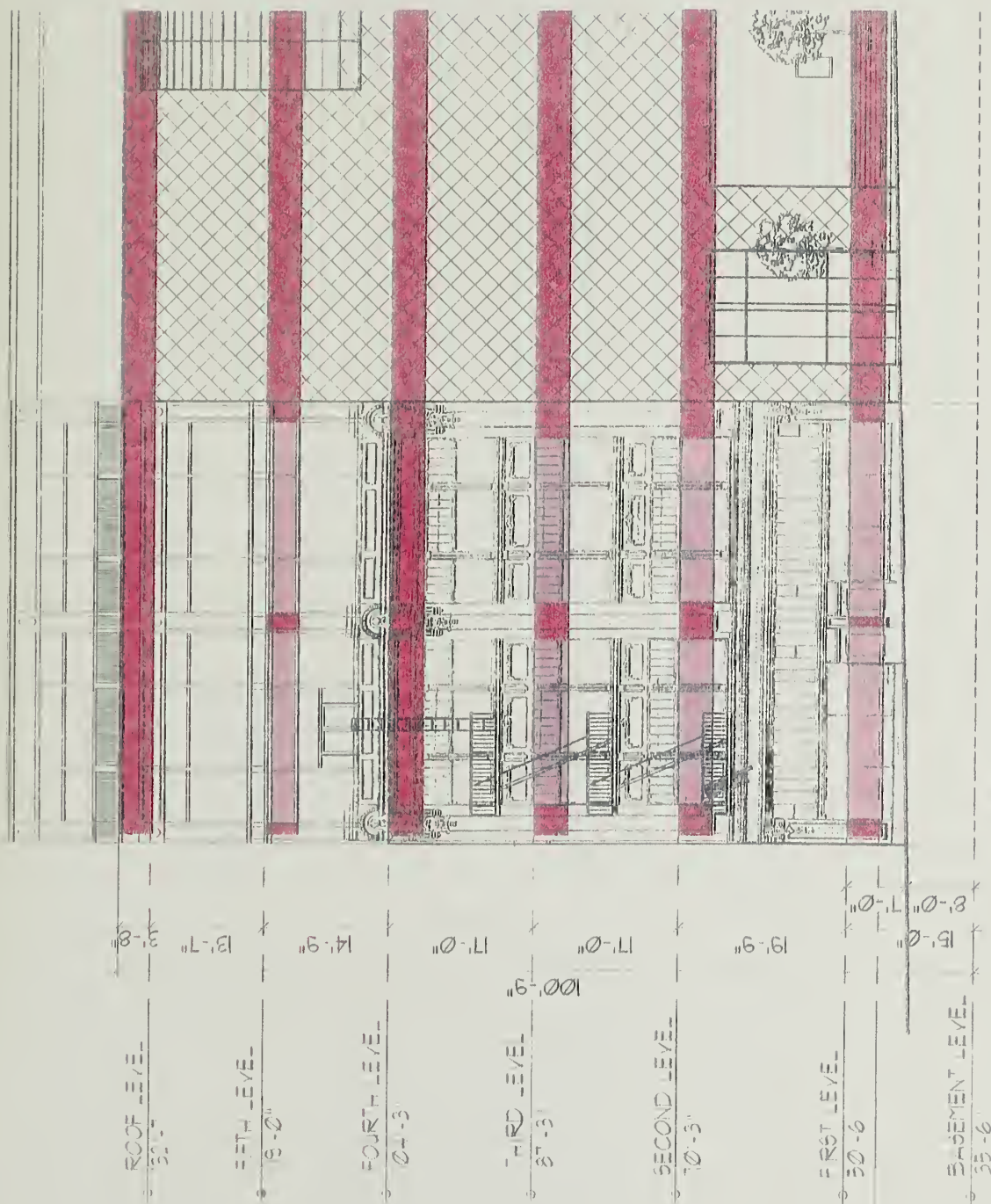
SEPARATE STORE
 TYPICAL FLOOR PLAN
 PRESERVATION ALTERNATIVE -C
 RECONSTRUCTION ALTERNATIVE -E




 BASEMENT FLOOR PLAN
 125-129 CEARY STREET

PROJECT: 3 NEW
 DRAWN: [illegible]
 CHECKED: [illegible]
 DATE: [illegible]

Neiman Marcus
 125-129 CEARY STREET

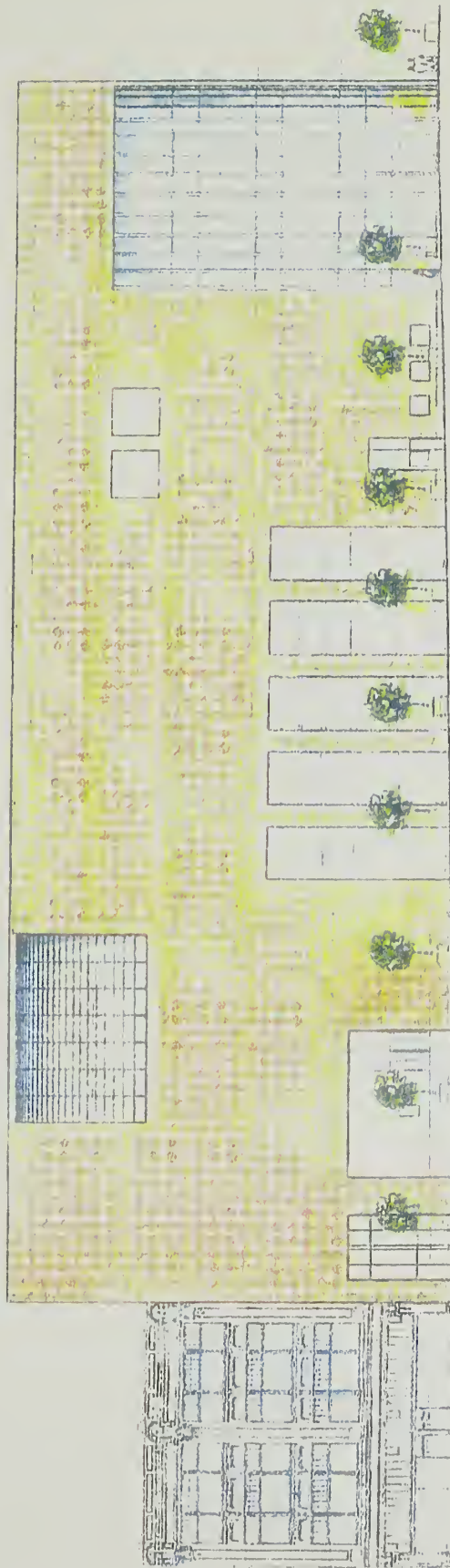


**BUILDING ELEVATION
REHABILITATION ALTERNATIVE - D**

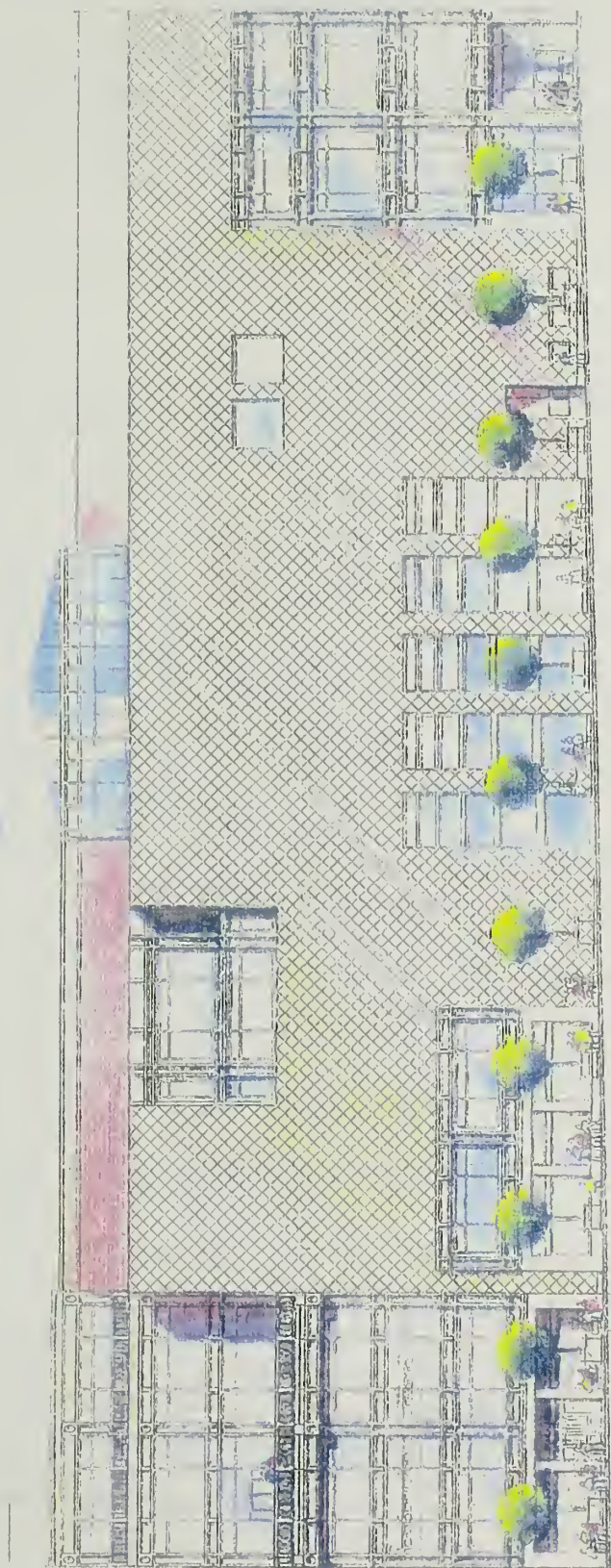
Diedrich & NBA

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EXISTING GEARY STREET ELEVATION



PROPOSED GEARY STREET ELEVATION

NEIMAN MARCUS EXPANSION PROJECT ANALYSIS OF EIR ALTERNATIVES AGAINST PROJECT OBJECTIVES

The Draft EIR for the Neiman Marcus Expansion Project identifies five alternatives to the proposed Project: No Project; Expansion of Existing Store Building; Preservation; Rehabilitation; and Reconstruction. For the reasons set forth below, *none* of these alternatives would satisfy Neiman Marcus' Project Objectives, which are described on pages 21 to 24 of the Draft EIR.

A. NO PROJECT ALTERNATIVE (ALTERNATIVE A)

Description of Alternative

The No Project Alternative would leave the project site in its existing condition. The 125-129 Geary Street building would not be demolished immediately (although it might ultimately be demolished pursuant to the UMB Ordinance), the existing Neiman Marcus store building would not be expanded and the exterior modifications to the existing Neiman Marcus store building would not be made.

Project Objectives Not Satisfied

The No Project Alternative would not meet *any* of the Project Objectives because it would not allow Neiman Marcus to expand in San Francisco and the City and Neiman Marcus to realize the benefits of the Project. Because the 125-129 Geary Street building would remain unchanged (until seismically upgraded or demolished pursuant to the UMB Ordinance), the No Project Alternative would not cause the 125-129 Geary Street building to be brought into compliance with current building codes for new construction, would not enliven the Geary Street façade by adding an entrance café/espresso bar and would not increase the transparency of and natural light in the building. In addition, because the existing Neiman Marcus store building also would remain unchanged, the No Project Alternative would not increase the compatibility of the existing Neiman Marcus store building with the Conservation District and would not increase the transparency of the building (revealing interior activity and features, including the City of Paris rotunda, to passers-by). *None* of the Neiman Marcus Merchandising Standards could be achieved under the No Project Alternative. Finally, the No Project Alternative would not provide Neiman Marcus a reasonable economic return on its investment.

A. EXPANSION OF EXISTING STORE BUILDING ALTERNATIVE (ALTERNATIVE B)

Description of Alternative

The Expansion of Existing Store Building Alternative would vertically expand the existing Neiman Marcus store building by adding a partial sixth story, which would be limited to about 14,200 square feet because of the Planning Code prohibition of new shadow on Union Square. The 125-129 Geary Street building would not be demolished immediately (although it might ultimately be demolished pursuant to the UMB Ordinance) and the exterior modifications to the existing Neiman Marcus store building would not be made.

Project Objectives Not Satisfied

The Expansion of Existing Store Building Alternative would meet *virtually none* of the Project Objectives. This Alternative would not provide Neiman Marcus with adequate expansion space because it would add only about 16,700 square feet to the existing Neiman Marcus store building (14,200 square feet in the new sixth floor, plus 2,500 square feet of infill on the-existing floors). Because of the small amount of square footage gained, this Alternative would not provide Neiman Marcus with a reasonable economic return on its investment.

Because the 125-129 Geary Street building would remain unchanged (until seismically upgraded or demolished pursuant to the UMB Ordinance), this Alternative would not cause the 125-129 Geary Street building to be brought into compliance with current building codes for new construction, would not enliven the Geary Street façade by adding an entrance café/espresso bar and would not increase the transparency of and natural light in the 125-129 Geary Street building.

In addition, other than the addition of the partial sixth floor, the exterior of the existing Neiman Marcus store building would remain unchanged under the Expansion of Existing Store Building Alternative. The proposed changes to the exterior of the existing Neiman Marcus store building, which are intended to increase the compatibility of the building with the Conservation District, would not be made because these changes would not read as being more compatible with the Conservation District absent the architectural transition provided by the horizontal extension proposed by the Project. As a result, this Alternative would not increase the transparency of the existing Neiman Marcus store building, and thus would not reveal interior activities and features, including the City of Paris rotunda, to passers-by.

C. PRESERVATION ALTERNATIVE (ALTERNATIVE C) AND RECONSTRUCTION ALTERNATIVE (ALTERNATIVE E)

Description of Alternatives

The Preservation Alternative and the Reconstruction Alternative both involve the seismic upgrade of the 125-129 Geary Street building. In the Preservation Alternative, the 125-129 Geary Street building would be altered only to the extent necessary to meet the requirements of the UMB Ordinance. In the Reconstruction Alternative, the 125-129 Geary Street building would be completely dismantled and reconstructed to meet current Building Code requirements for new construction. Under both Alternatives, the 125-129 Geary Street building and the existing Neiman Marcus store building would function as two stand-alone stores, because the misalignment between the floors in the two buildings would preclude adequate internal connections; no additional floors would be added to either building; and the exterior changes to the existing Neiman Marcus store building would not be made.

Project Objectives Not Satisfied

The Preservation Alternative would not meet *any* of the Project Objectives. Under the Preservation Alternative, the 125-129 Geary Street building would be brought into compliance with the UMB Ordinance, but not with current codes for new construction. Neiman Marcus corporate policy requires new projects to provide for the safety of customers,

employees and passers-by. Neiman Marcus does not believe that UMB compliance satisfies this corporate policy, and therefore Neiman Marcus would not proceed under the Preservation Alternative. This Alternative therefore would not allow Neiman Marcus to expand in San Francisco and the City and Neiman Marcus to realize the benefits of the Project, and would not provide Neiman Marcus a reasonable economic return on its investment.

Although the Reconstruction Alternative would bring the 125-129 Geary Street building into compliance with current codes for new construction, it would not meet *any* of the other Project Objectives. In addition, given the substantial amount of demolition and reconstruction involved, the Reconstruction Alternative would not provide true preservation. As a result, the Reconstruction Alternative would require a substantial economic expenditure beyond that of the Project, without a strong preservation benefit.

In addition, both the Preservation Alternative and the Reconstruction Alternative would result in the 125-129 Geary Street building functioning both physically and operationally as a separate store. Although some other retailers have established separate men's stores that may be satisfactory to those retailers, this approach is not feasible in the Neiman Marcus model. First, because much of the men's department shopping is by women who are visiting the women's departments, separating these departments into two stores would drastically reduce, if not eliminate, this cross-selling opportunity. Second, in Neiman Marcus' experience, sales proceeds are dramatically reduced in departments that are split vertically on multiple floors of a building. The Neiman Marcus Group experimented with this vertical men's department approach in its Bergdorf Goodman stores and was not satisfied with the results. It is for these reasons that Neiman Marcus rejected another free standing location in Union Square several years ago. In fact, Neiman Marcus does not have a single stand-alone men's store and has only one vertically-split men's department (two floors in its Chicago location, where floor plates are constrained so as to require a vertical split). The two-store approach therefore does not work for Neiman Marcus.

Moreover, both the Preservation Alternative and the Reconstruction Alternative would require approximately 45 percent of the area of the 125-129 Geary Street building to be used for functional, operational and non-selling purposes, leaving only approximately 55 percent (or about 20,400 square feet) available for selling. This large amount of non-selling space would be necessary because the 125-129 Geary Street building would be a separate store, resulting in a requirement for redundant facilities (such as loading docks, receiving areas, egress, stairwells, vertical transportation, restrooms, security, customer service, etc.), instead of taking advantage of the opportunity for consolidated facilities offered by the Project. Given this outcome, neither the Preservation Alternative nor the Reconstruction Alternative would provide Neiman Marcus adequate expansion space, and the cost of these Alternatives would not provide Neiman Marcus an economic return on its investment.

Because the Preservation Alternative would preserve, and the Reconstruction Alternative would rebuild, the 125-129 Geary Street building in essentially its present form except for seismic upgrades, it would not be feasible to add an entrance café/espresso bar, which is intended to enliven the Geary Street façade, or to increase the transparency of and natural light in the 125-129 Geary Street building.

In addition, the existing Neiman Marcus store building would remain unchanged under both the Preservation Alternative and the Reconstruction Alternative. The proposed changes to the exterior of the existing Neiman Marcus store building, which are intended to increase the compatibility of the building with the Conservation District, would not be made because these changes would not read as being more compatible with the Conservation District absent the architectural transition provided by the horizontal extension proposed by the Project. As a result, these Alternatives would not increase the transparency of the existing Neiman Marcus store building, and thus would not reveal the interior activities and features, including the City of Paris rotunda, to passers-by.

None of the Neiman Marcus Merchandising Standards could be achieved under either the Preservation Alternative or the Reconstruction Alternative. These standards (which are described in detail on pages 22 to 24 of the Draft EIR) provide Neiman Marcus' "signature" look and are a key component of its competitive marketing advantage. In terms of physical store arrangement, the Merchandising Standards can be grouped into five criteria:

- "Vertical Transportation," referring to the immediate visual and physical access that customers have to the selling areas because of large amounts of floor space at the elevator/escalator/stairs point of arrival.
- "Unobstructed Selling Floor – Merchandise Concept Groupings," referring to the customer experience of an unobstructed selling floor with clear sight lines throughout store, allowing for the groupings of key merchandise classifications together on one floor to maximize customer convenience and sales revenue.
- "Configuration of Selling Space," referring to the removal of traditional architectural and design barriers between departments, so that the entire selling floor becomes a merchandising palate in which selling spaces are configured by logically consistent merchandising classifications, each with their own adjacent stock, fitting rooms and staffing functions.
- "Behind the Scenes Areas," referring to the stock areas and fitting rooms adjacent to the sales area that furnish customers with fast, reliable and personalized service.
- "Ceiling Heights," referring to the feeling of spaciousness present in all Neiman Marcus stores due to the generous ceiling heights (generally 14 to 16 feet for the first floor and 12 feet for the remaining floors).

Under the Preservation Alternative and the Reconstruction Alternative, both "Vertical Transportation" and "Unobstructed Selling Floor - Merchandise Concept Groupings" would be constrained because customers would have to access the 125-129 Geary Street building by completely exiting the existing Neiman Marcus store building and entering the 125-129 Geary Street building. This entry/exiting pattern would not satisfy customer convenience, service or operational standards established under Neiman Marcus' Optimum Selling policy. Optimum Selling empowers sales associates to serve customers anywhere in the store, thereby offering the greatest customer convenience and service, and is enabled by the removal of architectural and visual barriers between departments. In addition, "Configuration of Selling Space" could not be achieved because reuse of the 125-129 Geary Street building would

produce department depths in the range of only 12 to 14 feet, as compared to the 24 to 36 foot depths required to meet Neiman Marcus' Merchandising Standards. From both an operations and merchandising standpoint, this arrangement would be non-functional. These Alternatives would also adversely impact the "Behind the Scenes Areas" because they would restrict Neiman Marcus' ability to satisfy the minimum depth needs for combined fitting rooms and stock areas. In addition, these Alternatives would impede efficient restocking because deliveries would have to be made to two buildings (one loading dock could not serve both buildings due to the misalignment of floors). Finally, it would be impossible under these Alternatives to achieve the standard "Ceiling Heights" in the 125-129 Geary Street building.

D. REHABILITATION ALTERNATIVE (ALTERNATIVE D)

Description of Alternative

The Rehabilitation Alternative would involve retention of the Geary Street façade of the 125-129 Geary Street building, and possibly retention of portions of the east and south walls. The west wall and entire interior of the 125-129 Geary Street building would be demolished and replaced with new floor extensions that would be aligned with the floors of the existing Neiman Marcus store building, and both buildings would be extended vertically. The new floors in the extension would bisect the windows in the preserved Geary Street façade of the 125-129 Geary Street building. The exterior modifications to the existing Neiman Marcus store building would not be made.

Project Objectives Not Satisfied

Although the Rehabilitation Alternative would meet some of the Project Objectives, it does not provide strong preservation benefits. Generally, historic preservation entails restoration of environments and buildings, not artifacts and facades. By retaining only the façade and perhaps some of the exterior walls of the 125-129 Geary Street building, the Rehabilitation Alternative would not provide true preservation. In addition, the Rehabilitation Alternative would require a substantial economic expenditure beyond that of the Project, without a strong preservation benefit. The Rehabilitation Alternative would not provide Neiman Marcus a reasonable economic return on its investment.

Because the Rehabilitation Alternative would preserve the façade of the 125-129 Geary Street building, it would not be feasible to add an entrance café/espresso bar, which is intended to enliven the Geary Street façade. Further, because the new floors would in the 125-129 Geary Street building would not align with the preserved facade, the façade would have to be treated as a false front. Light wells would have to be installed between the retained façade and the bisecting floors, which would impair any increase in the transparency of and natural light in the building, reduce the floor area of the extension and adversely affect its economic viability.

The existing Neiman Marcus store building would remain unchanged under the Rehabilitation Alternative because (i) the proposed changes to the exterior of the existing Neiman Marcus store building, which are intended to increase the compatibility of the building with the Conservation District, would not read as being more compatible with the Conservation

District absent the architectural transition provided by the horizontal extension proposed by the Project; and (ii) these changes would not be economically feasible when added to the cost of the rehabilitation. As a result, this Alternative would not increase the transparency of the existing Neiman Marcus store building, and thus would not reveal the interior activities and features, including the City of Paris rotunda, to passers-by.

In summary, *none* of the five alternatives described in the Draft EIR would satisfy Neiman Marcus' Project Objectives.

LETTER D – BROBECK, PHLEGER & HARRISON, LLP (ON BEHALF OF THE NEIMAN MARCUS GROUP)

- D-1) The comment is noted. The information attached to the commenter's letter is included on the following pages. As part of these Comments and Responses, it will be forwarded to the decision-makers for their consideration.

As stated in the response to Comment A-10, p. C&R.12, the Project sponsor's reasons for rejection of alternatives are briefly presented in the EIR for informational purposes; they are not required under CEQA.

Please see also the responses to Comments E-1, F-1 and G-1, in the following section of this Summary of Comments and Responses.

SECTION D

PUBLIC HEARING COMMENTS AND RESPONSES

This chapter contains a transcript of the public hearing on the Draft EIR and the responses to each of those comments. Each substantive comment on the Draft EIR is labeled with a number in the margin and the response to each comment is presented following the commenter's remarks. For purposes of sequential reference with the written comments, these comments are designated as though they were contained in comment letters. Therefore, comments from the first speaker at the public hearing are answered in responses E-1, E-2, etc., from the second commenter, in responses F-1, F-2, and so on. Where responses have resulted in changes to the text of the Draft EIR, these changes will also appear in the Final EIR.

Comments

Note to the reader: The slides referenced by the commenter are included with Comment D-1, p. C&R.29.

My name is Tom Lehnen, and I am senior real estate advisor for Neiman Marcus.

Today I'd like to address Project Alternative C and E from the Draft EIR. The Draft EIR alternatives analysis does not address the specific fact that both of these alternatives fail to meet Neiman Marcus's program requirements because they create a two-store scenario. Alternative C, the Preservation Alternative, involves bringing 125 and 129 Geary building up to UMB code, then using the restored building for retail as a second store.

Alternative E, the Reconstruction Alternative, brings the 125-129 Geary building up to current code for new construction, again uses the restored building as a second retail store for Neiman Marcus. But the 125-129 Geary building has some fatal flaws which really prevent Neiman Marcus from creating a project that is suitable for our retail needs.

First, it was not designed for retail use [except] on the first floor, thus requiring Neiman Marcus to make additional structural changes for the floors to be able to handle retail live loads.

Second – I have a slide here. Looking at this slide. Secondly, the floors – as evidenced by the colored bands in this section, the floors are not the same level as the floors in the Neiman Marcus building. For instance, here is the floor on the Neiman Marcus building. Here is the floor on 125-129 Geary building. As you can see from the color floor plates in the elevation, the floor levels in the 125-129 Geary building vary by as much as eleven feet from the floor of the Neiman Marcus building. The purple example is a particularly good one.

E-1

By contrast, the elevation on the right, which demonstrates the Neiman Marcus project, the floor plates are continuous throughout the existing building, and the expansion space, again looking at the purple, is continuous from the building into the expansion space.

Thirdly, the ceiling heights are much lower on the 125-129 Geary building than Neiman Marcus requires. To ensure an open, visual impression, Neiman Marcus requires ground-level floor ceilings to [be] 14 to 16 feet with all other floors of minimum of twelve feet. As you can see in the rendering, floors average something like nine feet in the 125 to 129 Geary building. These heights are completely unacceptable for a Neiman Marcus store.

E-1

(cont'd)

Fourth, looking at this next slide, in the two-store scenarios, Neiman Marcus would not gain an acceptable amount of floor space which is shown in orange in this particular rendering. If you are looking at the left, you are looking at the vision of 125-129 Geary Street building. We would be required, in that case, to duplicate all essential facilities such as vertical transportation, behind-the-scenes non-selling space, and vertical duct shafts and the like.

This is all rendered in yellow, and you can make a quick comparison between the project and utilizing the existing 125-129 building.

In fact, we reduce the available square footage in the 125 scheme to 55 percent, but 55 percent of what we would otherwise achieve with the expansion as proposed.

Finally, our two-store scenario is completely incompatible with Neiman Marcus's Merchandising Standards. As a matter of fact, five years ago we considered the option right here in Union Square of creating a second store in order to expand our business. However, we abandoned that in a hurry because of the merchandising problems that it does create for us. It just does not work.

As a matter of fact, the two-store scenario for a Neiman Marcus forces Neiman Marcus to separate departments on different vertical floors of the building rather than spreading them across a single large floor plate. The Neiman Marcus group [experimented with] this vertical approach, in fact, in its Bergdorf-Goodman store in New York, and, I might say, with disastrous results. Given the choice, it would not be done again.

In summary, then, both Alternative C and E force Neiman Marcus to abandon its Merchandising Standards and operate two separate stores. This makes both two-store scenarios unacceptable.

We would like, therefore, to see this information included in the Final EIR because it does help explain the problematic reasons for not selecting either of these two alternatives. (Thomas Lehen, Senior Real Estate Advisor, Neiman Marcus)

Responses to Comments E

- E-1) As stated in the response to Comment A-10, p. C&R.12, the Project sponsor's reasons for rejection of alternatives are briefly presented in the EIR for informational purposes; they are not required under CEQA.

For the reader's information, the EIR states on p. 64 that Alternative C would not permit a connection between the existing 125-129 Geary Street building and the Neiman Marcus store building, and states on p. 65 that this alternative would not meet several objectives of the Project sponsor, including creation of "a single, integrated retail store." Regarding Alternative E, the EIR discusses the misalignment between floors in the two existing buildings on p. 65, and states on p. 66 that this alternative, too, would fail to meet several objectives of the Project sponsor, including creation of a single, integrated store.

Comments

Note to the reader: The slide referenced by the commenter is included with Comment D-1, p. C&R.29.

My name is David Robinson. I am from C. David Robinson Architects in San Francisco. As a consulting architect of this project, and as a long-time member of the preservation community of this city, I have had a chance to review the Draft EIR and compare it to the project sponsor's plans.

The Draft EIR does not adequately explain, in the alternatives analysis section, why the Rehabilitation Alternative, Alternative D, is not an acceptable alternative to the Neiman Marcus project proposal. I would like to use this opportunity to further address this point.

Looking at my slide here, we will recognize that the first rehabilitation, first Rehabilitation Alternative joins the two properties – that is 125-129 Geary and the existing Neiman Marcus store by demolishing the west wall of 125-129, here.

There is beautiful color on the slide, Commissioners. I'm afraid you cannot see them.

Also, demolishing the east wall with the existing Neiman Marcus store. These demolitions are along the entire length of these walls, and at all levels.

Secondly, a new loading dock is required to make the older building serviceable. This will require major changes to the south wall facing Security Pacific Place.

Third, 125-129 Geary's east party wall will be retained or demolished to accommodate new construction. It is, in any case, not visible to the public. That's this party wall right here. Thus, three of the older buildings' walls, the east, west, and the south, none of which have architectural merit, will be dramatically altered or demolished in the process of achieving the sponsor's goals. Only the north wall will remain.

Finally, I'd like to return to the point addressed by Mr. Lehnen already, and recognize that the Rehabilitation Alternative involves the demolishing of the entire interior of 125-129, and building of new floors in that building to align with the floors of the existing store creates a new problem. These new aligned levels shown in orange do not coincide with the existing floors of the old building, and would bisect the windows of the older buildings' facade, shown here in white between the green windows.

F-1

This would force Neiman Marcus to pull floors back away from the facade and place light boxes behind the windows to hide the floors. Shown there. These light boxes would eliminate the wall's transparency and preclude any views or natural light from penetrating into the store, a crucial requirement of successful, contemporary merchandising.

So, in summary, in order to achieve the sponsor's program requirements, Alternative D leaves only the north wall of the older building standing and its use compromises their program. This retention cannot really be justified as "preservation," as this kind of facade has, even for much more important buildings than this one, long been deemed unacceptable or undesirable by the preservation community.

F-1

(cont'd)

On the other hand, the design excellence and appropriate scale of the sponsor has integrated architectural proposal for the new facade of 125-129 Geary, and the existing Neiman Marcus building seems, again, to be a more compatible solution for the Conservation District than the retention of a single, older wall in a Category IV building.

Response to Comment F

F-1) As stated in the response to Comment D-1, above, the Project sponsor's reasons for rejection of alternatives are briefly presented in the EIR for informational purposes; they are not required under CEQA.

For the reader's information, the EIR describes Alternative D on pp. 66-67 as described by the commenter, and states on p. 68, "Generally, historic preservation entails restoration of environments and buildings, not artifacts and facades. Thus, because the 125-129 Geary Street building is deemed to be a historical resource under CEQA for purposes of this analysis, the Rehabilitation Alternative would not mitigate the impact of the demolition of the 125-129 Geary Street building to a less than significant level."

Comments

My name is Richard Diedrich of Diedrich ■ NBA as design architect of the Neiman Marcus proposed project.

My comments address the fact that the Draft EIR alternatives analysis does not explain why the project alternatives fail to meet the City's plans and policies for the Conservation District.

The overall composition of design changes we have proposed creates an integrated design that is more compatible with the District than what exists today, or that is proposed by any of the alternatives.

The top illustration shows what exists today and what would be provided by the alternatives. The lower illustration shows the proposed design of the extension and the changes to the Neiman Marcus store. This is the existing 125-129 Geary building, existing Neiman Marcus store, and here is the proposal. This would be the new extension of the Neiman Marcus building, and showing the Neiman Marcus building as revised.

G-1

These changes are intended to make the Neiman Marcus store more compatible with the Conservation District. In particular, these exterior changes include use of a facade grid fenestration along the entire exterior of the extended building, typical in scale and pattern of the Conservation District.

Number 2, a transparent facade and sidewalk cafe at the new east entrance which contributes to the vitality of the street scape.

Three, book-end treatment of the two entrances frames the existing store and ties it to the horizontal extension.

Four, the enhanced transparency of the Geary-Stockton entrance reveals the City of Paris rotunda to the public.

And, five, the sandblasting of the existing stone in order to mute the harlequin pattern to soften the color but retain the diagonal joint pattern.

As is evident, these changes would not read as being more compatible with the Conservation District absent the architectural transition provided by the proposed Geary Street facade of the horizontal extension.

I ask that you please incorporate this information in the Final EIR. Each of you have received copies of this material that I just presented, and my predecessor has presented. However, if you require additional copies, we have those available. (Richard Diedrich, Diedrich ■ NBA (Project design architect))

G-1

(cont'd)

Response to Comment G

G-1) The EIR states, separately for each of Alternatives A through E, on pages 62, 63, 65, 68, and 71, respectively, that all of the alternatives considered would fail to meet at least some of the Project objectives, and all would fail to meet the following objectives: provide adequate expansion space; enhance the compatibility of the existing Neiman Marcus Store building with the Conservation District; enliven the Geary Street facade through the provision of an entrance cafe/espresso bar; increase the transparency of the existing Neiman Marcus store building, including the City of Paris rotunda; increase the transparency of and natural light in the 125-129 Geary Street building/horizontal extension; and provide Neiman Marcus a reasonable economic return on its investment.

SECTION E

STAFF-INITIATED TEXT CHANGES

The second sentence on DEIR p. 3 is revised as follows to correct a transposition in the identification of CEQA Section 21084.1 (new language is underlined; deleted language is indicated with ~~striketrough~~ text):

Nonetheless, the City has concluded, as permitted by Section ~~20184.1~~ 21084.1, that the 125-129 Geary Street building is to be deemed to be a historical resource under CEQA for purposes of this analysis.

On DEIR p. 52, the following is added as a new paragraph immediately above the heading, "Pedestrian and Bicycle Conditions" to include information from the Project's Transportation Study concerning temporary disruption of O'Farrell Street traffic due to semi-trailer trucks backing in to the Neiman Marcus loading dock. As noted, because of the early morning hour and relatively infrequency (once daily) of large-truck deliveries, this condition would not constitute a significant effect.

The current configuration of the loading area requires that trucks enter by backing in on Security Pacific Place from O'Farrell Street, resulting in temporary disruption of traffic flow, including MUNI buses. Because of the relatively low level of loading activity and the early morning arrival time of the tractor/trailer, the effect is minimal. This backing maneuver to reach the loading dock would continue with the Project, and would create the same minimal short-term effect on traffic flow on O'Farrell Street.

• **CHAPTER IX**

APPENDICES

APPENDIX A: Initial Study

APPENDIX A

INITIAL STUDY

NOTICE THAT AN ENVIRONMENTAL IMPACT REPORT IS DETERMINED TO BE REQUIRED

Date of this Notice: February 6, 1999

Lead Agency: City and County of San Francisco, Planning Department
1660 Mission Street, 5th Floor, San Francisco, CA 94103

Agency Contact Person: Joan A. Kugler, AICP

Telephone: (415) 558-6396

Project Title: 98.813E: Neiman Marcus
Expansion

Project Sponsor: Neiman Marcus
Contact Person: Clifford J. Suen

Project Address: 125-129 Geary Street; 150 Stockton Street at Geary (199 Geary)
Assessor's Block and Lot: Block 313, Lots 14, 15, and 16
City and County: San Francisco

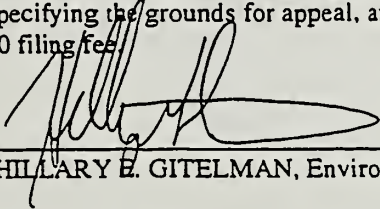
Project Description: Demolition of an existing four-story unreinforced masonry building (UMB) at 125-129 Geary Street and construction of a new six-story horizontal extension of the existing five-story Neiman Marcus store building onto the UMB site. The building proposed for demolition is designated as a Category IV building which contributes to the Kearny-Market-Mason-Sutter Conservation District pursuant to Article 11 of the City Planning Code. The project also would add a partial sixth story to the existing Neiman Marcus building and would include a small infill expansion of the fifth floor. Total new construction would be about 61,400 square feet. The horizontal extension would approximate the existing street wall height of the building to be demolished, with a setback of about 8.5 feet from Geary Street at the street wall height of approximately 65 feet. On the extension site, the new sixth floor would be set back about 25 additional feet (total of about 33.5 feet). The new partial sixth floor on the existing Neiman Marcus store building would be set back about 42 feet from the Geary Street facade of the existing store building, and about 110 feet from Stockton Street. In addition to the new construction, the project would mute the existing "checkerboard" exterior finish of the Neiman Marcus store through sandblasting of the granite facade, and replace existing fenestration at the main store entrance (the Rotunda), the existing east entrance (to be closed), and the existing curved skylight. The project would also relocate the store's existing eastern pedestrian entrance on Geary and the existing loading dock at the rear, both into the new horizontal extension.

THIS PROJECT MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT AND AN ENVIRONMENTAL IMPACT REPORT IS REQUIRED. This determination is based upon the criteria of the Guidelines of the State Secretary for Resources, Sections 15063 (Initial Study), 15064 (Determining Significant Effect), and 15065 (Mandatory Findings of Significance), and the following reasons, as documented in the Initial Study for the project, which is attached.

Deadline for Filing an Appeal of this Determination to the City Planning Commission: March 8, 1999.

An appeal requires:

- 1) a letter specifying the grounds for appeal, and;
- 2) a \$209.00 filing fee.


HILLARY E. GITEMAN, Environmental Review Officer

NEIMAN MARCUS EXPANSION
INITIAL STUDY
98.813E

I. PROJECT DESCRIPTION

The project site (Lots 14, 15, and 16 of Assessor's Block 313) is diagonally across the street from Union Square in downtown San Francisco, at the southeast corner of Geary and Stockton Streets (see Figure 1). About 83 percent of the approximately 41,775-square-foot site (Lots 14 and 15) is currently occupied by the existing five-story-plus-basement Neiman Marcus specialty department store, constructed in 1979-81 (the store opened in 1982), while the eastern 17 percent of the site (Lot 16) is occupied by a four-story-plus-basement unreinforced masonry structure built in 1908.

Project components would include:

- demolition of the existing 125-129 Geary Street building;
- construction of a horizontal extension of the existing Neiman Marcus store at the 125-129 Geary site;
- addition of a partial sixth story to the existing Neiman Marcus store;
- relocation of the store's existing eastern entrance on Geary Street to the horizontal extension;
- relocation of the store's existing loading dock, at the rear, to the rear of the horizontal extension;
- sandblasting to mute the existing harlequin (checkerboard) pattern of the store's exterior finish;
- replacement of the existing glazing surrounding the former City of Paris rotunda at the corner of Geary and Stockton Streets, and of the glazing in the existing skylight notch on Geary Street, to create greater transparency, complement the design of the horizontal extension, and reflect the existing facade grid typical of the Kearny-Market-Mason-Sutter Conservation District; and
- merger of the three lots on the project site into a single lot.

The project would demolish the existing unreinforced masonry building (UMB), at 125-129 Geary Street, which is currently vacant except for one ground floor retail store, and construct a new six-story-plus-basement building that would be structurally and functionally integrated with the existing Neiman Marcus store, serving to expand the existing 189,250-square-foot store horizontally eastward on Geary Street. The project would also add a partial sixth story to the existing Neiman Marcus building and would include a small (approximately 2,500 sq. ft.) infill expansion of the existing fifth floor. The total additional retail space proposed is 61,400 square feet; net new space, accounting for an existing 800-sq.-ft. occupied retail store at 125-129 Geary, would be about 60,600 sq. ft.

The new sixth story would increase the height of the expanded Neiman Marcus store from about 89.5 feet (measured at the existing center of the Geary Street facade) to about 102 feet (measured at the proposed center of the widened Geary Street facade). The sixth-story addition to the existing Neiman Marcus building would not be visible from the sidewalk on either side of Geary Street or Stockton Street because it would be set back about 42 feet from the store's existing Geary Street facade, and about 110 feet from the Stockton Street facade.

Union Square

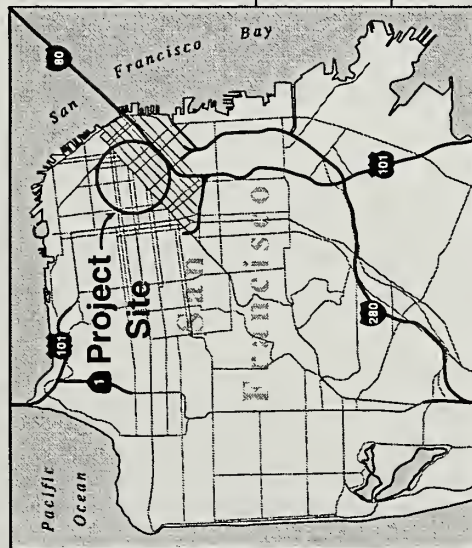


0 100 Feet

Assessor's Block 313

- Project Site (AB 313, Lots 14, 15, & 16)
- Existing Neiman Marcus Store Building
- Proposed Horizontal Extension (Existing 125,129 Geary Street Building)

17 Lot Number



Maiden Lane

Geary Street

Stockton Street

Grant Avenue

Security Pacific Place

O'Farrell Street

Market Street

SOURCE: Environmental Science Associates

98.813E: Neiman Marcus Expansion (ESA 980423)

Figure 1
Project Location

The proposed horizontal extension at 125-129 Geary Street would have approximately the same street wall height as the existing four-story building at that location, about 65 feet.¹ Above that point, the fourth and fifth floors would be set back about 8.5 feet, and the sixth story would be set back an additional approximately 25 feet.² The stepped back fourth and fifth floors would not be visible from the sidewalk in front of the Neiman Marcus store, but would be visible from the north sidewalk, across Geary Street. The sixth floor, set back about 33.5 feet from the facade, would not be visible from either sidewalk. The height of the horizontal extension would be about 102 feet (again, measured at the proposed center of the widened Geary Street facade), the same height as the sixth story addition to the existing Neiman Marcus store.

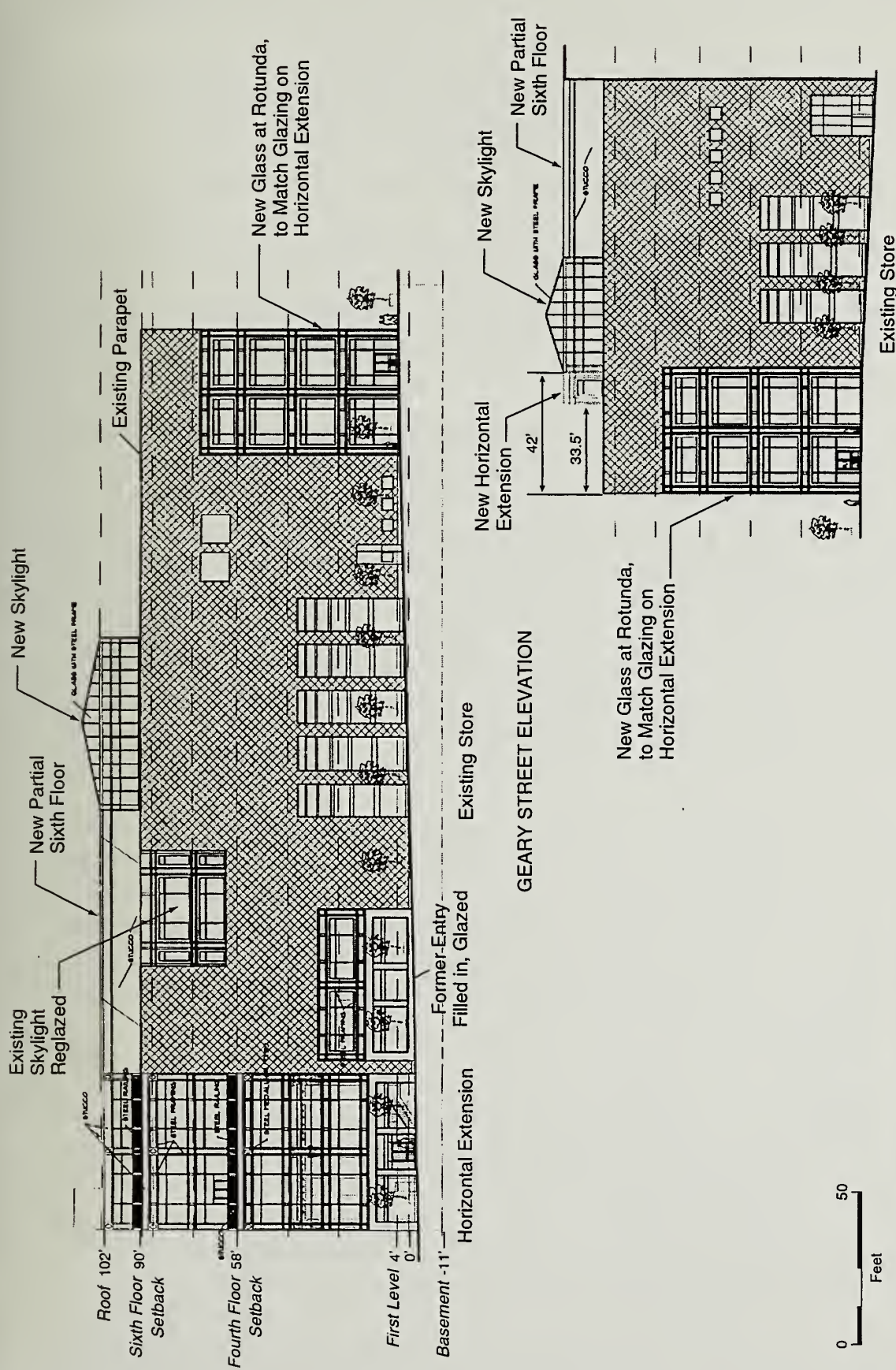
The horizontal extension would include a new east entrance to the expanded store. This entrance would be inset about 6 feet inside the property line and would be at grade; due to the slope of the site along Geary Street, the entrance would be about 7 feet below the level of the main entrance at Geary and Stockton Streets. As a result, the new entrance would include a lobby that would be one-and-a-half-stories tall, with stairs and an elevator leading up to the main (ground) floor and down to the basement of the expanded building. Neiman Marcus proposes to operate an espresso bar/cafe at this new entrance, potentially with sidewalk seating.

The exterior of the newly constructed horizontal extension is intended to be consistent with the design of nearby buildings in the Kearny-Market-Mason-Sutter Conservation District in which the project site is located, in that the horizontal extension would be entirely glazed, with visible columns and beams, in a “curtain wall” design that would be reminiscent of early 20th century commercial architecture. The design proposes reuse, as interior ornamentation, of the exterior cornice and medallions from the existing 125-129 Geary building. These architectural elements would be installed inside the new 1½-story east entrance. The extension could also include an exterior sign identifying it as part of the Neiman Marcus store. In addition, as explained below, the project would include certain exterior changes to the glazing in the existing Neiman Marcus store to integrate the existing building and the new construction, and to make the existing store more compatible with nearby historic buildings (see below). Figure 2 shows the proposed Geary Street elevation, including the existing store building, the proposed sixth-floor addition, and the new construction at 125-129 Geary.

At the rear of the new construction, where Lot 16 faces an existing alley (“Security Pacific Place”), three new loading bays would be constructed, replacing the three existing loading bays in the Neiman Marcus store (also accessible from Security Pacific Place but inefficient in operation due to their access via a diagonal easement through the rear of the Macy’s men’s store). The project sponsor also proposes to

¹ Measured at the center line of the expanded structure, the height of the horizontal expansion would be about 62 feet, since the site slopes slightly down to the east.

² As noted, the existing 125-129 Geary building is four stories above street level. Because of the slope of Geary Street, the new building on that portion of the site would have its first floor approximately 7 feet above grade, to match the existing Neiman Marcus store’s ground floor. Therefore, only three stories of the new building would be constructed within the 65-foot street wall, and stories four, five, and six would be set back from the street.



98.813E: Netman Marcus Expansion (ESA 980423) ■

Figure 2

Proposed Elevations

provide access to the proposed new loading dock by grading the northernmost end of Security Pacific Place to a depth of up to about 2 feet below existing grade.

The existing site has no parking, and no parking would be provided as part of the project.

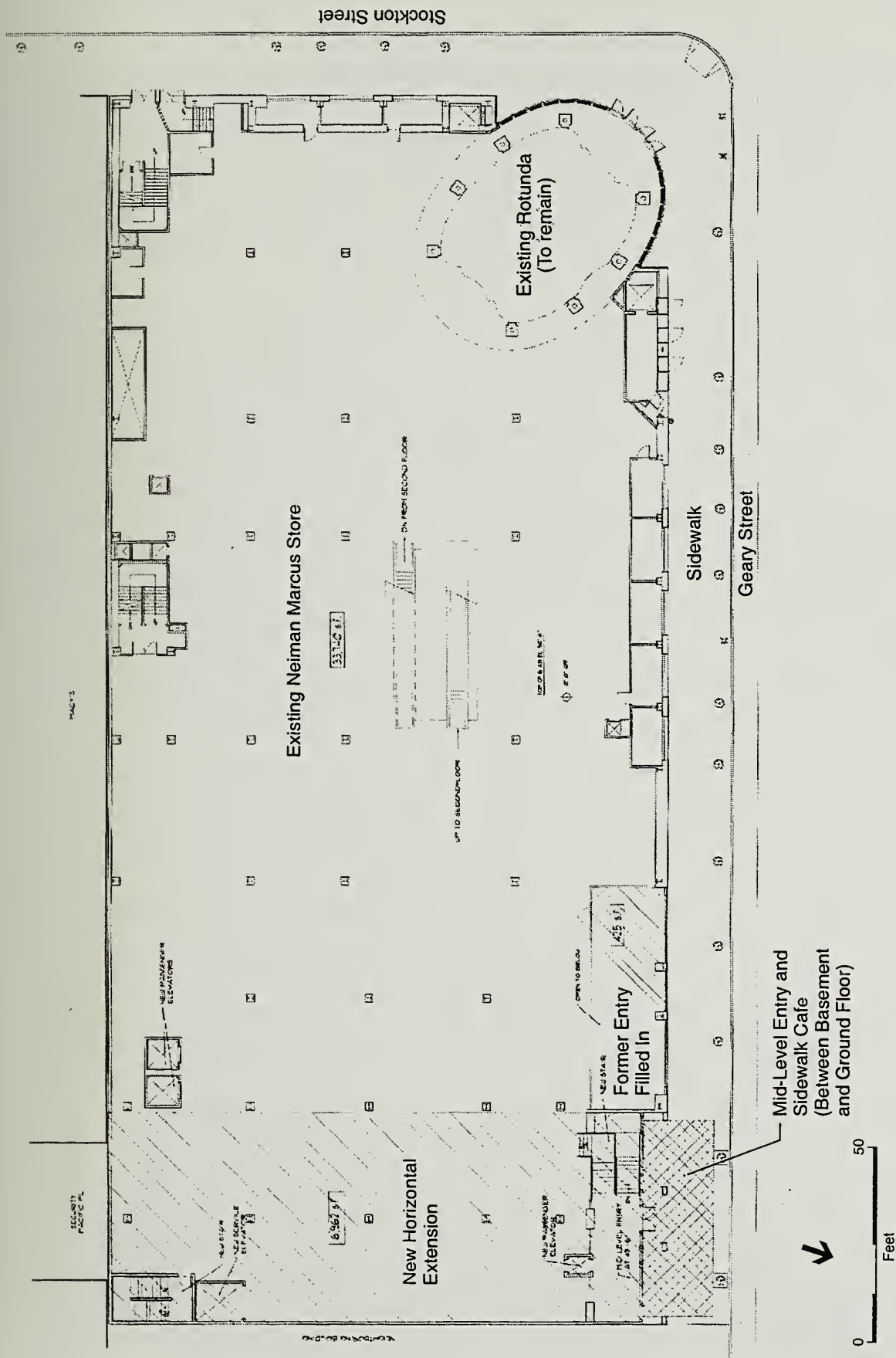
The primary pedestrian entrance to the Neiman Marcus store would remain at the corner of Geary and Stockton Streets, beneath the historic City of Paris building rotunda. As part of the project, the existing non-disabled-accessible secondary entrance near the eastern end of the Geary Street facade would be closed and replaced by a fully accessible entrance in the newly constructed extension at 125-129 Geary. Figure 3 shows the proposed ground floor plan.

The floor plans of the existing Neiman Marcus store building would be largely unchanged by the project, with the following exceptions: the basement loading docks would be converted to retail space; the existing secondary (eastern) pedestrian entrance, to be closed, would be filled in and an additional approximately 425 sq. ft. of floor area gained; and on the fifth floor, an existing light well would be filled in and an existing outdoor courtyard, accessible to employees only, would be enclosed: together, these two changes on the fifth floor would add about 2,500 sq. ft. of floor area. (Figure 4, p. 8, shows the new sixth floor, including the roof of the filled in courtyard on the fifth floor. The outdoor courtyard is depressed below the level of the existing western portion of the building roof and the new floor area would not be visible from below behind the building's existing parapet wall.) In addition to the above changes, the eastern wall of the existing store building would be demolished to permit the new construction to be connected, both structurally and functionally, to the existing building.

In addition to the above-described structural changes, the project would replace the existing vertically oriented glazing surrounding the former City of Paris rotunda, at the store's main entrance at Geary and Stockton Streets. The new glazing would be horizontally oriented, more in keeping with the historic patterns of fenestration in the conservation district, and similar to that proposed for the new horizontal extension. The former City of Paris rotunda, which is a separate structure immediately inside the Neiman Marcus store entrance, would not be affected by the changes in glazing. The rotunda skylight would also be retained intact, and would not be affected by the project.

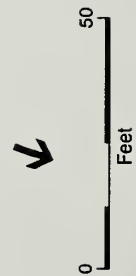
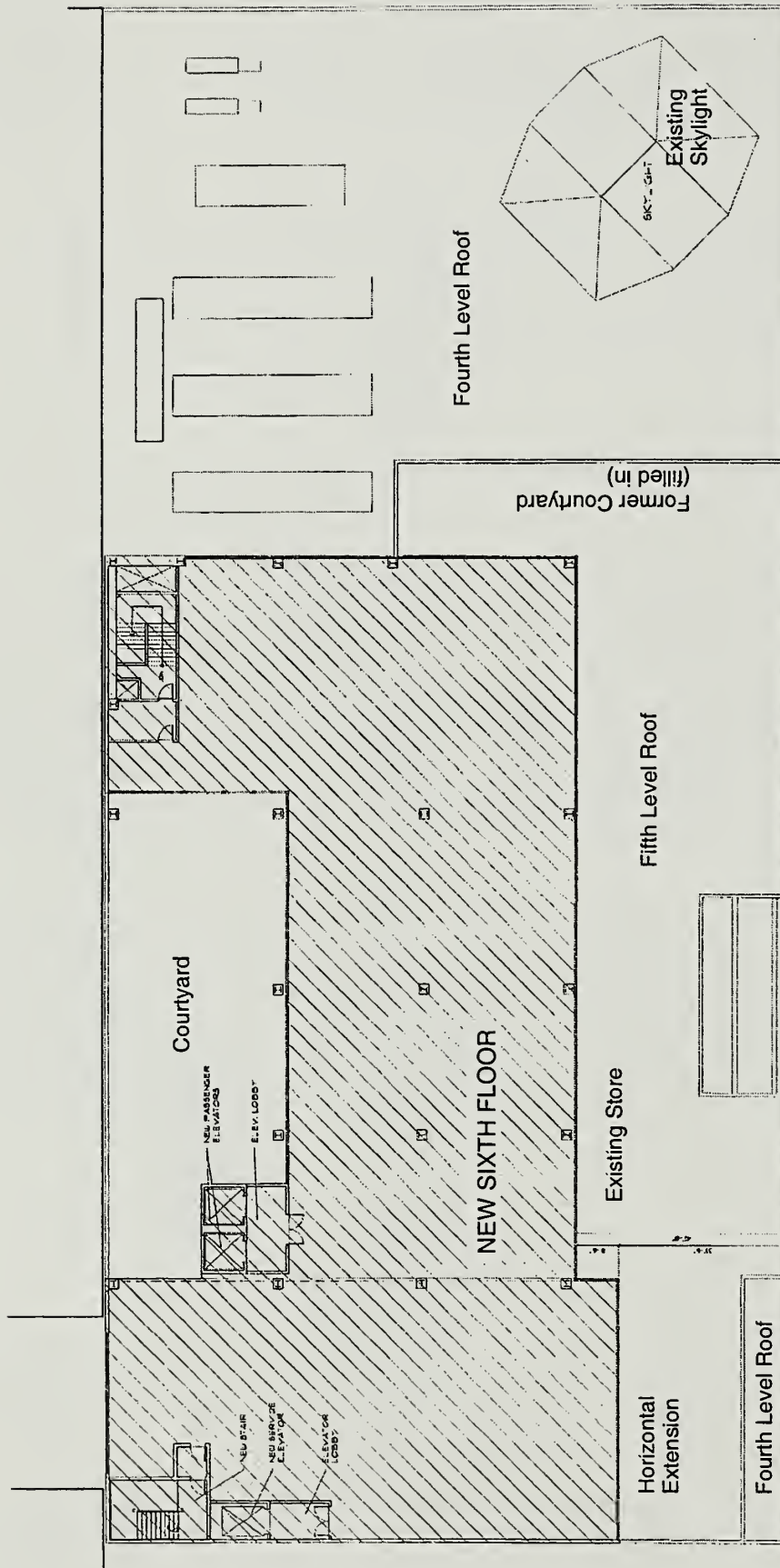
The existing skylight notch atop the Geary Street facade of the existing store would remain, but the curved glazing would be replaced with stepped glazing that, like the corner entrance, would be related to the facade of the new horizontal extension. In addition, the project sponsor proposes to sandblast the existing harlequin (checkerboard) granite facades of the Neiman Marcus store building to diminish the contrast between colors in the harlequin pattern. Finally, the existing eastern store entrance, which is to be closed as part of the project, would also receive horizontally oriented glazing that would "pick up" horizontal elements in the design of the new construction at 125-129 Geary (see Figure 2).

The existing Neiman Marcus store building is located on two separate assessor's parcels, while the 125-129 Geary building is on a third lot. As part of the project, the project sponsor proposes a merger of the three lots on the project site into a single parcel.



98.813E: Neiman Marcus Expansion (ESA 980423) ■ **Figure 3**
Ground Floor Plan

SOURCE: Environmental Science Associates



SOURCE: Environmental Science Associates

98.813E: Neiman Marcus Expansion (ESA 980423) ■
Figure 4
 New Sixth Floor

The existing four-story-plus-basement building at 125-129 Geary is constructed of brick walls with steel columns. Built in 1908, it is a Category IV (Contributory) Building within the Kearny-Market-Mason-Sutter Conservation District and was rated "C" (of Contextual Importance) by the Foundation for San Francisco's Architectural Heritage. The building is classified by the Department of Building Inspection as an Unreinforced Masonry Building, meaning that it must be seismically strengthened by 2004 in accordance with the City's Unreinforced Masonry Building Ordinance, or be demolished.

The existing 125-129 Geary building is constructed on a spread-footing foundation and has a basement about 13 feet deep (to the bottom of the slab) that extends beneath the Geary Street sidewalk. This basement would be demolished and reconstructed to connect to the basement in the existing Neiman Marcus store. The new horizontal extension at 125-129 Geary would likely be constructed on spread footings (which is also the foundation system of the existing Neiman Marcus store building). Little excavation is anticipated at the basement level, because the first floor of the horizontal extension would be above grade (see Footnote No. 2, p. 4) and the existing basement at 125-129 Geary is deeper than would be its replacement. However, grading to a depth of up to about 2 feet below existing grade would be required at the northernmost end of the alley behind the 125-129 Geary building to assure adequate vertical clearance for trucks at the proposed new loading dock (approximately 2 cubic yards of soil would be removed). No pile driving is proposed as part of the project.

The project's floor area ratio (FAR) would be 6.0:1, which is the maximum permitted FAR in the C-3-R Use District (without transfer of development rights to the site).

Project construction, including demolition of the existing building, would take 18 to 20 months, with opening of the new construction planned for mid-2001. Cost of the project is estimated at \$18.5 million. The existing Neiman Marcus store would remain open throughout the construction period.

II. SUMMARY OF POTENTIAL ENVIRONMENTAL EFFECTS

A. EFFECTS FOUND TO BE POTENTIALLY SIGNIFICANT

The Neiman Marcus expansion project is examined in this Initial Study to identify potential effects on the environment. Impacts on transportation and on historic architectural resources, have been determined to be potentially significant, and will be analyzed in an Environmental Impact Report (EIR).

B. EFFECTS FOUND NOT TO BE SIGNIFICANT

The following potential impacts were determined either to be insignificant or to be mitigated through measures included in the project. These items are discussed in Section III below, and require no further environmental analysis in the EIR: land use, visual quality, population, noise, air quality, shadow, utilities/public services, biology, geology/topography, water, energy, hazards, and archaeological resources.

III. ENVIRONMENTAL EVALUATION CHECKLIST AND DISCUSSION

A. COMPATIBILITY WITH EXISTING ZONING AND PLANS

	<u>Discussed</u>	<u>Not Applicable</u>
1) Discuss any variances, special authorizations, or Changes proposed to the City Planning Code or Zoning Map, if applicable.	<u>X</u>	<u> </u>
2) Discuss any conflicts with any adopted environmental Plans and goals of the City or Region, if applicable.	<u>X</u>	<u> </u>

The San Francisco Planning Code, which incorporates by reference the City Zoning Maps, governs permitted uses, densities and configuration of buildings within San Francisco. Permits to construct new buildings or to alter or demolish existing ones may not be issued unless the proposed project conforms to the Code or an exception is granted pursuant to provisions of the Code.

The project site is within a C-3-R (Downtown Retail) Use District. The Planning Code states that the C-3-R District “is a regional center for comparison shopper retailing and direct consumer services. It covers a compact area with a distinctive urban character, consists of uses with cumulative customer attraction and compatibility, and is easily traversed by foot” (Section 210.3). Retail sales is a principal permitted use in the C-3-R district.

The project site is within the 80-130-F Height and Bulk District (80-foot basic height limit, with exceptions for heights up to 130 feet provided there are no adverse shadow effects, the taller building provides an appropriate transition to adjacent buildings, and the height above 80 feet is set back from the street to maintain a continuity of street wall height; the “F” bulk limit indicates a maximum plan dimension of 110 feet and maximum diagonal dimension of 140 feet, above 80 feet in height). The project would have a floor area ratio (FAR) of 6.0:1, which is the maximum basic FAR permitted in the C-3-R district, without transfer of development rights to the site from another location. Zoning in the project vicinity is generally C-3-R, except that Union Square is in a P (Public) Use District. The project vicinity is also within a 80-130-F height and bulk district.

Section 309 of the Planning Code, Permit Review in C-3 Districts, governs the review of project authorization and building and site permit applications in the C-3 Districts. The project would require review and approval at a public hearing by the City Planning Commission under Section 309 because the proposed addition would exceed 50,000 gross square feet and because the sponsor seeks exceptions, pursuant to Section 309, to the following Code sections: Exceptions to Height Limits in 80-130-F and 80-130-X Height and Bulk Districts, because both the existing Neiman Marcus store does, and the project would, exceed the base permitted height of 80 feet (Section 263.8); Bulk Limits, because, above a height of 80 feet, both the existing Neiman Marcus store does, and the proposed project would, exceed

the maximum permitted length of 100 feet and diagonal dimension of 140 feet (Section 270 and 272);³ Sunlight Access to Public Sidewalks in C-3 Districts, because, above 65 feet in height, the horizontal extension would not be set back such that it would avoid penetration of a sun angle of 50 degrees (Section 146); and Required Off-Street Freight Loading and Service Vehicle Requirements in C-3 and South of Market Districts, because neither the existing Neiman Marcus store does, nor would the expanded store, meet the Code requirement for off-street freight loading spaces (Section 152.1, as permitted under Section 161(i)). Section 309 also permits the imposition of certain conditions in regard to such matters as a project's siting and design; view, shadow and wind characteristics; parking, traffic and transit effects; energy consumption; pedestrian environment; and other matters.

Demolition of the 125-129 Geary building and alteration of the existing Neiman Marcus store building would each require authorization under Article 11 of the Planning Code, "Preservation of Buildings and Districts of Architectural, Historical, and Aesthetic Importance in the C-3 Districts." The demolition of 125-129 Geary would be subject to approval under Section 1112.2, while the Permit to Alter the existing Neiman Marcus store would be subject to approval under Section 1111-1111.6. The project would also be subject to Planning Code Section 295 (shadow on certain public open spaces) and, as noted, Section 146 (sunlight on public sidewalks in the C-3 districts). Shadow effects related to both Code sections are discussed on p. 19.

The proposed lot merger would require a Parcel Map for merger from the Department of Public Works. The project would require building permits, which would require review and approval by the Planning Department, the Department of Building Inspection, the Department of Public Works, and the Fire Department.

Environmental plans and policies, like the Bay Area '97 *Clean Air Plan*, directly address physical environmental issues and/or contain standards or targets that must be met in order to preserve or improve specific components of the City's physical environment. The proposed project would not obviously or substantially conflict with any such adopted environmental plan or policy.

The City and County of San Francisco *General Plan* provides general policies and objectives to guide land use decisions. The proposed project is within that part of San Francisco covered by the Downtown Plan, an area plan contained within the *General Plan*. In general, potential conflicts with the *General Plan* are considered by the decisions-makers (normally the Planning Commission) independently of the environmental review process, as part of the decision to approve, modify or disapprove a proposed project. Any potential conflict not identified here could be considered in that context, and would not alter the physical environmental effects of the proposed project. The relationship of the proposed project to objectives and policies of the *General Plan* will be discussed in the EIR.

³ The existing Neiman Marcus store building, which was constructed prior to the enactment of the applicable bulk limit, currently exceeds the maximum dimensions of 110 feet in length and 140 feet in diagonal dimension above 80 feet in height. The expanded building would similarly exceed these maximum dimensions above 80 feet.

On November 4, 1986, the voters of San Francisco passed Proposition M, the Accountable Planning Initiative, which established eight Priority Policies. These policies are: preservation and enhancement of neighborhood-serving retail uses; protection of neighborhood character; preservation and enhancement of affordable housing; discouragement of commuter automobiles; protection of industrial and service land uses from commercial office development and enhancement of resident employment and business ownership; earthquake preparedness; landmark and historic building preservation; and protection of open space. Prior to issuing a permit for any project which requires an Initial Study under the *California Environmental Quality Act* (CEQA), or adopting any zoning ordinance or development agreement, the City is required to find that the proposed project or legislation is consistent with the Priority Policies. The motion for the City Planning Commission under Planning Code Section 309 will contain the analysis determining whether the project is in conformance with the Priority Policies.

B. ENVIRONMENTAL EFFECTS

Except for the items regarding historic architectural resources and transportation, all other items on the Initial Study Checklist have been checked "No," indicating that, upon evaluation, staff has determined that the proposed project could not have a significant adverse effect in those areas. Several checklist items have also been checked "Discussed," indicating that the text includes discussion of that particular issue. For all of the items checked "No" without discussion, the conclusions regarding potential adverse environmental effects are based on field observation, staff and consultant experience on similar projects, and/or standard reference material available within the Planning Department such as the Department's Transportation Guidelines for Environmental Review, or the California Natural Diversity Data Base and maps, published by the California Department of Fish and Game. For each Checklist item, the evaluation has considered the impacts of the project both individually and cumulatively.

1) <u>Land Use</u> . Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Disrupt or divide the physical arrangement of an established community?	_____	<u>X</u>	<u>X</u>
(b) Have any substantial impact upon the existing character of the vicinity?	_____	<u>X</u>	<u>X</u>

Land uses on, adjacent to and near the project site are a primarily retail, with upper-story office uses in many buildings. The project, as an expansion of an existing retail store on the site, would be compatible with existing on-site and nearby uses. Therefore, in terms of land use, the project would not disrupt or divide the physical arrangement or the community and would have no effect upon the character of the area.

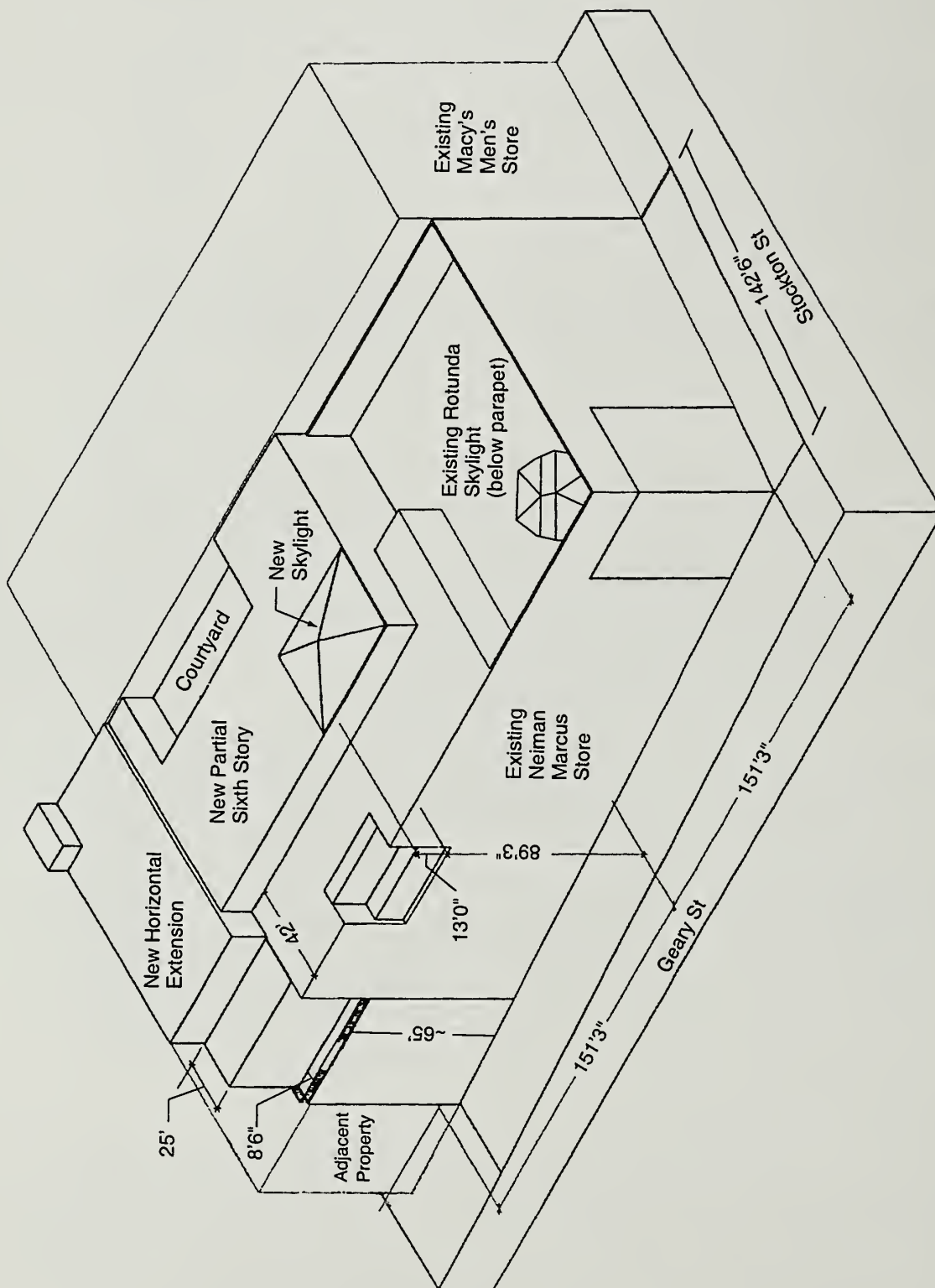
Neighborhood character, as it relates to historic preservation, will be discussed in the EIR analysis of historic architectural resources. However, land use compatibility requires no further study in the EIR.

2) <u>Visual Quality.</u> Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Have a substantial, demonstrable negative aesthetic effect?	_____	<u>X</u>	<u>X</u>
(b) Substantially degrade or obstruct any scenic view or vista now observed from public areas?	_____	<u>X</u>	<u>X</u>
(c) Generate obtrusive light or glare substantially impacting other properties?	_____	<u>X</u>	<u>X</u>

The proposed project would result in a visual change, since it would demolish an existing four-story building dating from 1908 and construct a new six-story building in its place. The project would also add a partial sixth floor to the existing Neiman Marcus store. However, the street wall height of the horizontal extension at 125-129 Geary Street would be virtually unchanged from that of the existing 125-129 Geary building, and the proposed setbacks above the third story would shield the fourth through sixth stories from view from the sidewalk in front of the project. The fourth and fifth floors would be visible from across the street, approximately 32 feet taller than the street wall (and than existing conditions), but the sixth story would be set back more than 30 feet from the property line along the entire Geary Street facade and would thus be obscured by the remainder of the expanded building in views from sidewalks on both sides of the project block. The street wall height of the horizontal extension would be consistent with the building at the corner of Geary Street and Grant Avenue, adjacent to the project site, which would not be changed as a result of this project.

The horizontal extension would include a ground-floor pedestrian entrance and would include windows at all six levels, similar to the existing 125-129 Geary building. To integrate the new construction with the existing Neiman Marcus store, as required by Planning Code Section 124(h), the project would replace existing glazing at the main entrance of the current Neiman Marcus store, close the existing eastern entrance to the store and install new glass there, and replace the existing curved skylight at the top of the Geary Street facade with a stepped skylight. Neiman Marcus also proposes to sandblast the exterior granite facades of the existing store to substantially diminish the contrast in the existing harlequin (checkerboard) pattern. In each case, the changes in the existing building are intended by the sponsor and the project architect to help integrate the new horizontal extension and the existing store building into a single, unified development. Neither the former City of Paris building rotunda nor the rotunda skylight would be affected by the project.

Regarding the sixth-story addition to existing Neiman Marcus building, the proposed setbacks of the new partial sixth story from both Geary and Stockton Streets would mean the visual appearance of the building's mass would be essentially as at present, with the exception of the closing off of the secondary pedestrian entrance on Geary Street. Figure 5 shows a perspective of the proposed project, including the new horizontal extension, the new partial sixth story atop the existing Neiman Marcus store.



As the project would not fundamentally alter the street wall scale or mass of the existing buildings, it would not result in a substantial, demonstrable negative aesthetic effect or substantially degrade the existing visual character or quality of the site and its surroundings.

The project would be constructed within a densely built urban area. Although the additional height, including the new partial sixth story, would be visible from surrounding buildings and from mid-range ground-level vantage points, including locations in Union Square, the project would not obstruct any publicly accessible scenic views or vistas.

The project would comply with Planning Commission Resolution 9212, which prohibits the use of mirrored or reflective glass. Thus, the project would not produce glare affecting other properties.

In view of the above, Visual Quality, including urban design and glare, do not require further study in the EIR. However, aesthetics issues as they relate to historic preservation will be discussed in the EIR.

3) <u>Population</u> . Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Induce substantial growth or concentration of population?	_____	<u>X</u>	<u>X</u>
(b) Displace a large number of people (involving either housing or employment)?	_____	<u>X</u>	<u>X</u>
(c) Create a substantial demand for additional housing in San Francisco, or substantially reduce the housing supply?	_____	<u>X</u>	<u>X</u>

The project sponsor estimates that the project would result in an increase in employment at the Neiman Marcus store of approximately 14.5 percent, from about 400 full-time-equivalent (FTE) positions to 458 FTEs; the total number of employees, including part-time employees, would increase from about 560 to about 638. There are currently eight employees at the one existing retail store in the 125-129 Geary building;⁴ if the store is relocated, these jobs would be retained; at any rate, the project would not displace a large number of employees. As there are no residential uses on the site, there would no residential displacement. The anticipated net increase in employment on the site (about 55 FTEs, or about 75 persons) would be minimal when considered in the context of Greater Downtown San Francisco, and would not be expected to have a measurable effect on demand for housing in San Francisco or the Bay Area. Further, it is likely that not all employees would represent new residents to San Francisco or the Bay Area. Some new employees may seek new housing within the City. Others would already live in the City and would therefore not add to a new potential demand for housing in San Francisco. Although housing affordability and availability remains an important policy issue in San Francisco and throughout the Bay Area, project employment, even if it were to represent all new residents, would result in an extremely small contribution to overall housing demand, and would be not

⁴ Shaikin, Rita, Manager, Pearl Empire-Jade store, personal communication, January 20, 1999

be considered significant. The project, as an expansion of an existing store, would not be expected to induce any substantial amount of new growth, either residential or commercial. Population and housing require no further analysis in the EIR.

4) <u>Transportation / Circulation</u> . Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system?	<u>X</u>	_____	_____
(b) Interfere with existing transportation systems, causing substantial alterations to circulation patterns or major traffic hazards?	_____	<u>X</u>	_____
(c) Cause a substantial increase in transit demand which cannot be accommodated by existing or proposed transit capacity?	<u>X</u>	_____	_____
(d) Cause a substantial increase in parking demand which cannot be accommodated by existing parking facilities?	<u>X</u>	_____	_____

Increased employment on the project site and the potential for increased shopper visits to the Neiman Marcus store would result increased demand on the local transportation system, including increased traffic and increased transit demand. Project effects on transportation and circulation, including intersection operations, transit demand, and impacts on pedestrian and bicycle circulation, parking, and freight loading, as well as construction impacts, will be analyzed in the EIR.

5) <u>Noise</u> . Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Increase substantially the ambient noise levels for adjoining areas?	_____	<u>X</u>	<u>X</u>
(b) Violate Title 24 Noise Insulation Standards, if applicable?	_____	<u>X</u>	<u>X</u>
(c) Be substantially impacted by existing noise levels?	_____	<u>X</u>	<u>X</u>

Ambient noise in the project vicinity is typical of noise levels in downtown San Francisco, which are dominated by vehicular traffic, including trucks, cars, MUNI buses and emergency vehicles. The Environmental Protection Element of the San Francisco *General Plan* indicated a day-night background noise level (Ldn) of 75 dBA on Geary Street and 70 dBA on Stockton Street in 1974.^{5,6} The Downtown

⁵ dBA is a measure of sound in units of decibels (dB). The "A" denotes the A-weighted scale, which simulates the response of the human ear to various frequencies of sound. Ldn, the day-night average noise level, is a noise measurement based on human reaction to cumulative noise exposure over a 24-hour period, taking into account

Plan EIR indicated a day-night average noise level of 72 Ldn on Geary Street and 71 Ldn on Stockton Street in 1984.⁷

Demolition, excavation, and building construction would temporarily increase noise in the site vicinity. The construction period, including demolition of portions of the building interior, would last approximately 18 to 20 months. Construction noise levels would fluctuate depending on construction phase, equipment type and duration of use, distance between noise source and listener, and presence or absence of barriers. The project would not require pile driving; therefore, groundborne vibration and noise would be limited.

During the construction period, temporary construction noise would be noticed by neighboring retail and office workers. (There are no nearby residences or other so-called "sensitive receptors," such as schools or hospitals.) Construction noise is regulated by the San Francisco Noise Ordinance (Article 29 of the City Police Code). The ordinance requires that noise levels from individual pieces of construction equipment, other than impact tools, not exceed 80 dBA at a distance of 100 feet from the source. Impact tools (such as jackhammers and impact wrenches) must have both intake and exhaust muffled to the satisfaction of the Director of Public Works. Section 2908 of the Ordinance prohibits construction work between 8:00 p.m. and 7:00 a.m., if noise would exceed the ambient noise level by five dBA at the project property line, unless a special permit is authorized by the Director of Public Works.

At times during construction, noise levels would disturb surrounding building occupants. There would be times when noise could interfere with indoor activities in nearby stores and offices. Noise impacts would be temporary and intermittent in nature and limited to the period of construction. Further, project construction would comply with the San Francisco Noise Ordinance. Therefore, construction noise is not considered a significant environmental impact.

The Environmental Protection Element of the *General Plan* contains guidelines for determining the compatibility of various land uses with different noise environments.⁸ For typical commercial uses, the guidelines recommend that new construction or development should generally be discouraged at noise levels starting between 77 and 82 dBA, Ldn. At these noise levels, the guidelines recommend an analysis of noise reduction requirements and implementation of noise insulation features. It is anticipated that standard noise insulation measures would be included as part of the project design.

To produce a noticeable increase in environmental noise, a doubling of existing traffic volume would be required. Based on transportation analysis conducted for the project, the project would not result in a

the greater annoyance of nighttime noises; noise between 10 p.m. and 7 a.m. is weighted 10 dBA higher than daytime noise.

⁶ San Francisco Department of City Planning, San Francisco General Plan, Environmental Protection Element, p. I.6.13,15.

⁷ San Francisco Department of City Planning, Downtown Plan EIR, Case No. 81.3E, certified October 18, 1984, Volume 1, pp. IV.J.1-19, particularly Table IV.J.2, pp. IV.J.9-10

⁸ San Francisco Department of City Planning, San Francisco General Plan, Environmental Protection Element, p. I.6.17.

substantial increase in traffic at area intersections, and it therefore would not result in perceptibly greater noise levels than those existing in the area. Freight loading activities would not increase markedly, because the project would represent an expansion of an existing use of about 35 percent, by floor area, which would require fewer than one additional large truck delivery per day; loading activities would continue to be on the alley (Security Pacific Place) behind the 125-129 Geary building. Project operation, including mechanical equipment, would comply with the San Francisco Noise Ordinance.

Construction-related noise, effects related to noise-sensitive receptors, and operational noise anticipated following construction of the project would not be considered significant for reasons stated above, and will not be analyzed in the EIR.

6) <u>Air Quality/Climate</u> . Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Violate any ambient air quality standard or contribute substantially to an existing or projected air quality violation?	_____	<u>X</u>	<u>X</u>
(b) Expose sensitive receptors to substantial pollutant concentrations?	_____	<u>X</u>	_____
(c) Permeate its vicinity with objectionable odors?	_____	<u>X</u>	_____
(d) Alter wind, moisture or temperature (including sun shading effects) so as to substantially affect public areas, or change the climate either in the community or region?	_____	<u>X</u>	<u>X</u>

Air Quality

The Bay Area Air Quality Management District (BAAQMD) has established thresholds for projects requiring its review for potential air quality impacts. Generally, for retail projects, the threshold is between 4,350 and 4,500 daily vehicle trips. Even if analyzed as a new free-standing retail use (as opposed to an addition to existing store), the project's 61,400 sq. ft. of retail space would generate only about one-third as many vehicle trips as the low end of the range of the BAAQMD thresholds. Therefore, no significant operational air quality impact would be generated by the project.

As described in Section I, Project Description, little or no excavation is anticipated, as the existing basement excavation at 125-129 Geary would be reused. Therefore, construction-related effects on air quality generally would be limited to emissions from construction equipment and construction workers' vehicles, as well as from demolition of the 125-129 Geary building. The project sponsor would require the contractor to wet down the site during demolition, and excavation if required, which would be expected to reduce particulates by approximately 50 percent; would require covering soil, sand and other material; and would require street sweeping around demolition and construction sites at least once per day (see Mitigation Measure No. 1, p. 29).

Shadow

Section 295 of the City Planning Code was adopted in response to Proposition K (passed in November 1984) in order to protect certain public open spaces from shadowing by new structures during the period between one hour after sunrise and one hour before sunset, year round. Section 295 restricts new shadow upon public spaces under the jurisdiction of the Recreation and Park Department by any structure exceeding 40 feet unless the City Planning Commission finds the impact to be insignificant. The project was specifically designed to ensure that the project would conform to Section 295 with respect to Union Square (the only Section 295 property that is near enough to be affected). Following project design, a shadow analysis was performed to confirm that the proposed vertical expansion on the existing store and the new construction at 125-129 Geary would not cast any new shadow on Union Square during the Section 295 hours.⁹ There are no other publicly accessible open spaces that would be affected by shadow from the proposed project.

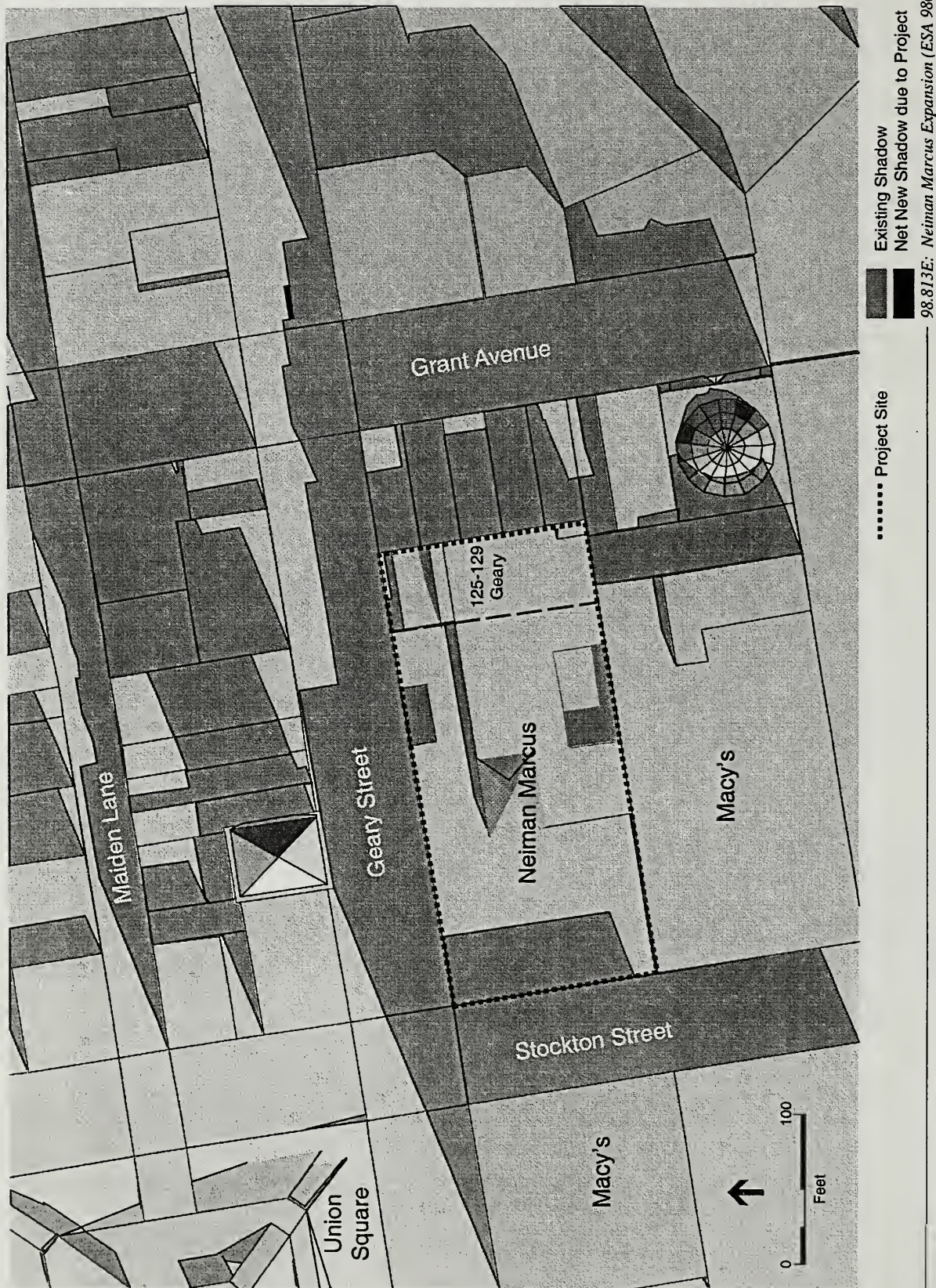
The proposed project would add limited new shadow to adjacent streets. However, because the project sponsor will seek an exception from the sun access angle requirement of Section 146 to allow for a less-than-required setback above 65 feet, an additional shadow analysis was conducted. Shadow was evaluated at 9:00 a.m., 10:00 a.m., 12:00 noon, 2:00 p.m., 3:00 p.m., and 4:00 p.m. on the two solstices (December 21¹⁰ and June 21) and the two equinoxes (March 21 and September 21). That analysis showed that the net new shading that would result from the project would be limited in scope: new shadow from the project would be limited to 150 square feet or less in the traffic lanes of Geary Street on March and September afternoons, and there would be no new shadow on sidewalks at the specified times. The project would not add new shadow on either sidewalk of Geary Street at any of the times studied (see Figure 6). Therefore, the project would not result in any significant shadow-related effects.

Wind

Wind impacts are generally caused by large building masses extending substantially above their surroundings, and by buildings oriented such that a large wall catches a prevailing wind, particularly if such a wall includes little or no articulation. The project would effectively increase the height of the existing Neiman Marcus store on the site by about 13 feet, to a maximum height of approximately 102 feet, but would not alter the existing street wall height, since the entire partial sixth floor would be set back from both Geary and Stockton Streets. The horizontal extension at 125-129 Geary Street would be taller than the existing structure on that portion of the site, but the street wall would be the same height as that of the existing building there, with the additional height rising in two steps. Because the project would result in a minimal increase in height and mass over the entire site, and because all of the

⁹ Bennett, Charles, Environmental Science Associates, technical memorandum, "98.313E: Proposition K Shadow Effects and Shadow on Sidewalks – Neiman Marcus Expansion Project, San Francisco (ESA 980423)," February 5, 1999. This memorandum is on file at the San Francisco Planning Department, 1660 Mission Street, San Francisco, Project File No. 98.313E.

¹⁰ The latest time evaluated on December 21 was 3:54 p.m. PST, which is the last Section 295 minute (the last minute before the last hour prior to sunset).



SOURCE: Environmental Science Associates

Figure 6

Project Shadow
March 21, 4:00pm

increase in height would be set back from the existing street wall, no substantial effects due to wind would be anticipated.

Potential air quality, shadow and wind effects require no further analysis and will not be included in the EIR.

7) <u>Utilities/Public Services.</u> Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Breach published national, state or local standards relating to solid waste or litter control?	_____	<u>X</u>	_____
(b) Extend a sewer trunk line with capacity to serve new development?	_____	<u>X</u>	_____
(c) Substantially increase demand for schools, recreation or other public facilities?	_____	<u>X</u>	_____
(d) Require major expansion of power, water, or communications facilities?	_____	<u>X</u>	<u>X</u>

The proposed project would incrementally increase demand for and use of public services and utilities on the site and increase water consumption, but not in excess of amounts expected and provided for in the project area, and would not be expected to have any measurable impact on public services or utilities. The project would be undertaken in a fully built-out area of Downtown San Francisco, where all utilities and services are currently provided for; no need for any expansion of public utilities or public service facilities is anticipated. This topic requires no further analysis and will not be included in the EIR.

8) <u>Biology.</u> Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Substantially affect a rare or endangered species of animal or plant or the habitat of the species?	_____	<u>X</u>	<u>X</u>
(b) Substantially diminish habitat for fish, wildlife or plants, or interfere substantially with the movement of any resident or migratory fish or wildlife species?	_____	<u>X</u>	_____
(c) Require removal of substantial numbers of mature, scenic trees?	_____	<u>X</u>	<u>X</u>

The project site is covered entirely by impervious surfaces, namely the two existing buildings. There are no trees on the site. The project would not affect any threatened, rare or endangered plant life or habitat. The project would not interfere with any resident or migratory species. This topic will not be discussed in the EIR.

9) <u>Geology/Topography</u> . Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Expose people or structures to major geologic hazards (slides, subsidence, erosion and liquefaction)?	_____	<u>X</u>	<u>X</u>
(b) Change substantially the topography or any unique geologic or physical features of the site?	_____	<u>X</u>	_____

The *San Francisco General Plan* Community Safety Element contains maps that show areas in the City subject to geologic hazards. The project site is located in an area subject to groundshaking from earthquakes along the San Andreas and Northern Hayward Faults and other faults in the San Francisco Bay Area (Maps 2 and 3). The project site is not within an area of liquefaction potential (Map 4), a Seismic Hazards Study Zone (SHSZ) designated by the California Division of Mines and Geology, nor is it within an area susceptible to landslide (Map 5) or tsunami inundation (Map 6). To ensure compliance with all San Francisco Building Code provisions regarding structural safety, when the Department of Building Inspection (DBI) reviews the building plans for a proposed project, it will determine necessary engineering and design features for the project to reduce potential damage to structures from groundshaking. Therefore, potential damage to structures from geologic hazards on a project site would be ameliorated through the DBI requirement for a geotechnical report and review of the building permit application.

A preliminary geotechnical investigation was conducted for the horizontal extension site (125-129 Geary) in 1997, for the previous owner who proposed to reuse the existing building; that report is summarized here.¹¹ Two test borings conducted at the site revealed about 5 to 6 feet of sand fill below the basement floor slab and clean, medium dense dune sand for another approximately 8 feet. Below the dune sand are very stiff sandy clay and dense clayey sand. No groundwater was encountered in either test boring, the deeper of which extended about 36 feet below the basement slab (about 50 feet below street grade).

The project site is not in an Alquist-Priolo Special Studies Zone, and no known active fault exists on or in the immediate vicinity of the site. The closest active faults are the San Andreas Fault, 7 miles to the west, and the Hayward Fault, 12 miles to the east. Like the entire San Francisco Bay Area, the project site is subject to groundshaking in the event of an earthquake on these faults, although surface rupture is unlikely.

Because the geotechnical report noted above addressed a seismic upgrade of the existing 125-129 Geary Street building, the project sponsor would obtain an additional geotechnical investigation prior to the

¹¹ Subsurface Consultants Inc., "Geotechnical Investigation, Seismic Upgrade, 125, 127, and 129 Geary Street, San Francisco, California," March 13, 1997. This report is on file at the San Francisco Planning Department, 1660 Mission Street, San Francisco, Project File No. 98.313E.

design of the proposed project, including both the horizontal and vertical extensions of the existing Neiman Marcus store. Among the considerations that would be addressed by the subsequent report is the shear strength required in the east wall of the horizontal extension: this wall would replace the existing Neiman Marcus building's east wall, which provides shear support for the current store, and which would be demolished after the existing store is structurally connected to horizontal extension. The project sponsor has agreed to follow the recommendations of the geotechnical report(s) (see Mitigation Measure No. 2, p. 28). Because of the depth to groundwater, the project is unlikely to require dewatering (see Section III.10, Water, below). The project would not alter the topography of the site, and would not result in soil erosion, as the site is, and will remain, entirely covered by impervious surfaces.

No further analysis of geology and seismicity is required in the EIR.

10) <u>Water</u> . Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Substantially degrade water quality, or contaminate a public water supply?	_____	<u>X</u>	_____
(b) Substantially degrade or deplete groundwater resources, or interfere substantially with groundwater recharge?	_____	<u>X</u>	<u>X</u>
(c) Cause substantial flooding, erosion or siltation?	_____	<u>X</u>	_____

The project would require minimal excavation. The project site is entirely covered by impervious surfaces (the existing Neiman Marcus store building and the 125-129 Geary building). The project would not increase the area of impervious surface on the site, and would not alter the drainage pattern of the site; site runoff would continue drain into the City's combined sanitary and storm sewer system, as at present. Therefore, neither groundwater resources nor runoff and drainage would be affected.

The 1997 preliminary geotechnical report¹² indicated that groundwater was not observed in either of two borings that extended as deep as 36 feet below the surface of the existing basement, or almost 50 feet below grade. As the project would include only limited excavation, it is unlikely that dewatering would be required. (Any groundwater encountered during construction would be subject to the requirements of the City's Industrial Waste Ordinance (Ordinance No. 199-77), requiring that groundwater meet specified standards before it may be discharged into the sewer system.)

No further analysis of water resources is required in the EIR.

¹² See Footnote 11, p. 22.

11) <u>Energy/Natural Resources</u> . Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Encourage activities which result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner?	_____	<u>X</u>	<u>X</u>
(b) Have a substantial effect on the potential use, extraction, or depletion of a natural resource?	_____	<u>X</u>	_____

The project would meet current state and local codes concerning energy consumption. It would not cause a wasteful use of energy. This topic, energy consumption impacts, requires no further analysis and will not be discussed in the EIR.

12) <u>Hazards</u> . Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Create a potential public health hazard or involve the use, production or disposal of materials which pose a hazard to people or animal or plant populations in the area affected?	_____	<u>X</u>	<u>X</u>
(b) Interfere with emergency response plans or emergency evacuation plans?	_____	<u>X</u>	_____
(c) Create a potentially substantial fire hazard?	_____	<u>X</u>	_____

A Phase I environmental site assessment has been performed for the project site and is summarized here.¹³ In general, the project site is not associated with historical land uses that could have resulted in subsurface contamination of soil or groundwater. The project site is not within the "Maher Ordinance" area (largely the part of San Francisco created by landfill) that is governed by Article 20 of the San Francisco Public Works Code, and therefore no analysis of site soil for hazardous wastes is required. The Phase I site assessment recommends that any fill underlying the site that is to be disturbed during project construction be examined for the presence of metals and petroleum hydrocarbons. However, because the project will not include any excavation and will include only minor grading (approximately 2 cubic yards) at the entrance to the relocated loading docks, the risk posed by the potential for soil contamination is not substantial. The project includes a mitigation measure to avoid exposure to hazardous materials by workers and others (see Mitigation Measure No. 3a, p. 29).

Asbestos-containing building materials have been identified within the existing 125-129 Geary Street building. They include hot water pipe, steam pipe and boiler insulation, heating duct wrapping, floor tile and mastics, flashing, and roofing tar and felt. The Bay Area Air Quality Management District (BAAQMD) is vested by the California legislature with authority to regulate airborne pollutants,

¹³ Treadwell & Rollo, "Phase I Environmental Site Assessment, 125-129 Geary Street, San Francisco, CA," prepared for The Neiman Marcus Group, Inc., 28 August 1998. This report is on file at the San Francisco Planning Department, 1660 Mission Street, San Francisco, Project File No. 97.470E.

including asbestos, through both inspection and law enforcement, and is to be notified ten days in advance of any proposed demolition. Notification includes the names, addresses and phone numbers of operations and persons responsible, including the contractor; description and location of the structure to be renovated/demolished including size, age and prior use, and the approximate amount of friable asbestos; scheduled starting and completion dates of demolition; nature of planned work and methods to be employed; procedures to be employed to meet BAAQMD requirements; and the name and location of the waste disposal site to be used. The District randomly inspects removal operations. In addition, the District inspects any removal operations concerning which a complaint has been received.

The local office of the State Occupational Safety and Health Administration (OSHA) must be notified of asbestos abatement to be carried out. Asbestos abatement contractors must follow State regulations contained in 8 CCR 1529 and 8 CCR 341.6 through 341.14 where there is asbestos-related work involving 100 square feet or more of asbestos-containing material. Asbestos removal contractors must be certified as such by the Contractors Licensing Board of the State of California. The owner of the properties where abatement would occur must have a Hazardous Waste Generator Number assigned by, and registered with, the California Department of Health Services in Sacramento. The contractor and the hauler of the material are required to file a Hazardous Waste Manifest that details the hauling of the material from the site and the disposal of the material. Pursuant to California law, the Department of Building Inspection would not issue the required permit until the applicant has complied with the notice requirements above.

These regulations and procedures, already established as part of the permit review process, would ensure that any potential impacts due to asbestos would be reduced to a level of insignificance. Therefore, no further mitigation is required.

Lead paint is also extant in the building. Construction and renovation activities must comply with Chapter 36 of the San Francisco Building Code, Work Practices for Exterior Lead-Based Paint. Where there is any work that may disturb or remove lead paint on the exterior of any building built prior to December 31, 1978, Chapter 36 requires specific notification and work standards, and identifies prohibited work methods and penalties.

Chapter 36 applies to buildings or steel structures on which original construction was completed prior to 1979 (which are assumed to have lead-based paint on their surfaces), where more than ten total square feet of lead-based paint would be disturbed or removed. The ordinance contains performance standards, including establishment of containment barriers that are at least as effective at protecting human health and the environment as those in the most recent *Guidelines for Evaluation and control of Lead-Based Paint Hazards* promulgated by the U.S. Department of Housing and Urban Development. The ordinance also identifies prohibited practices that may not be used in disturbance or removal of lead-based paint. Any person performing work subject to the ordinance shall make all reasonable efforts to prevent migration of lead paint contaminants beyond containment barriers during the course of the work, and any

person performing regulated work shall make all reasonable efforts to remove all visible lead paint contaminants from all regulated areas of the property prior to completion of the work.

The ordinance includes notification requirements, contents of notice, and requirements for signs. Notification includes notifying bidders for the work of any paint-inspection reports verifying the presence or absence of lead-based paint in the regulated area of the proposed project. Prior to commencement of work, the responsible party (owner or contractor) must provide written notice to the Director of Building Inspection of the location of the project; the nature and approximate square footage of the painted surface being disturbed and/or removed; anticipated job start and completion dates for the work; whether the responsible party has reason to know or presume that lead-based paint is present; whether the building is residential or non-residential, owner-occupied or rental property; the approximate number of dwelling units, if any; the dates by which the responsible party has or will fulfill any tenant or adjacent property notification requirements; and the name, address, telephone number, and pager number of the party who will perform the work. (Further notice requirements include Sign When Contaminant is Required, Notice by Landlord, Required Notice to Tenants, Availability of Pamphlet related to protection from lead in the home, Notice by Contractor, Early Commencement of Work [by Owner, Requested by Tenant], and Notice of Lead Contaminated Dust or Soil, if applicable.) The ordinance contains provisions regarding inspection and sampling, and enforcement, and describes penalties for non-compliance with the requirements of the ordinance.

These regulations and procedures required as part of the San Francisco Building Code would ensure that potential impacts due to lead-based paint would be reduced to a level of insignificance. Therefore, no further mitigation is required.

Other potential hazardous building materials such as PCB-containing electrical equipment, hydraulic oils, or fluorescent lights could pose health threats for demolition workers but would be mitigated by building surveys and abatement as necessary (see Mitigation Measure No. 3b, p. 29). The existing building contains elevators. Elevators may be operated by hydraulic oils; in the past, some of these oils contained PCBs. Mitigation is included in the project to reduce impacts of hazardous building materials (see Mitigation Measure No. 3b, p. 29).

Because the project would enlarge an existing Neiman Marcus store building that is subject to an existing emergency plan approved by the Department of Building Inspection (DBI) and the Fire Department, the emergency plan would be revised to incorporate the horizontal and vertical additions to the store. The revised emergency plan, which would describe how to provide for building occupants in the event of an emergency, would be subject to approval by DBI and the Fire Department prior to issuance of an occupancy permit for the expanded store. Therefore, no further mitigation is required.

All potential health and safety issues related to building contamination and soil contamination and remediation would be reduced to a level of insignificance by mitigation measures included in the project

(and identified herein as Mitigation Measure No. 3 on p. 29), or would be regulated by current laws and regulations; these issues do not require further analysis and will not be discussed in the EIR.

Continued operation of a specialty department store, as would occur under the project, would not create any significant hazard to the public or the environment through the potential risk of upset or release of hazardous materials, nor would project operation emit hazardous substances. Use of hazards would be limited to standard materials, such as cleaning and lubrication products, that might be used in any business. Project operation as it relates to hazardous materials will not be discussed in the EIR.

13) <u>Cultural</u> . Could the project:	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
(a) Disrupt or adversely affect a prehistoric or historic archaeological site or a property of historic or cultural significance to a community or ethnic or social group; or a paleontological site except as a part of a scientific study?	<u>X</u>	<u> </u>	<u>X</u>
(b) Conflict with established recreational, educational, religious or scientific uses of the area?	<u> </u>	<u>X</u>	<u> </u>
(c) Conflict with the preservation of buildings subject to the provisions of Article 10 or Article 11 of the City Planning Code?	<u>X</u>	<u> </u>	<u>X</u>

Archaeological Resources

As noted in the project description, little or no excavation is anticipated at the basement level, and approximately 2 cubic yards of soil would be removed for construction of the new loading dock (to a depth of about 2 feet below existing grade). Therefore, the potential to adversely affect subsurface cultural resources is negligible. This topic requires no further analysis, and will not be discussed in the EIR.

Historic Architectural Resources

The existing 125-129 Geary building, constructed in 1908, is a Category IV (Contributory) building within the Kearny-Market-Mason-Sutter Conservation District identified in Article 11 of the Planning Code, and was rated "C" (of Contextual Importance) by the Foundation for San Francisco's Architectural Heritage. With implementation of the project, this building would be demolished. The existing Neiman Marcus store building, constructed in 1979-81, is not rated in any surveys of historic architectural resources, although the former City of Paris building site is identified as a state landmark. The project's potential effects on historic architectural resources will be discussed in the EIR.

C. OTHER

	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
Require approval and/or permits from City Departments other than the Planning Department, or Department of Building Inspection, or from Regional, State or Federal Agencies?	<u>X</u>	<u> </u>	<u>X</u>

As noted in Section III.A, the proposed lot merger would require a Parcel Map for merger from the Department of Public Works. In addition, the Fire Department must approve the building's emergency plan.

D. MITIGATION MEASURES

	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Discussed</u>
1) Could the project have significant effects if mitigation measures are not included in the project?	<u>X</u>	<u> </u>	<u> </u>	<u>X</u>
2) Are all mitigation measures necessary to eliminate significant effects included in the project?	<u> </u>	<u>X</u>	<u> </u>	<u>X</u>

The following are mitigation measures related to topics determined to require no further analysis in the EIR. The EIR will contain a mitigation chapter describing these measures, which are proposed as part of the project, and also including other measures which would be, or could be, adopted to reduce potential adverse effects of the project identified in the EIR.

Mitigation Measure No. 1 – Construction Air Quality

The project sponsor would require the contractor(s) to sprinkle exterior demolition sites with water during demolition, excavation and construction activity; sprinkle unpaved exterior construction areas with water at least twice per day, or as necessary; cover stockpiles of soil, sand, and other material; cover trucks hauling debris, soil, sand or other such material; and sweep surrounding streets during demolition and construction at least once per day to reduce particulate emissions. Ordinance 175-91, passed by the Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities. Therefore, the project sponsor would require that the contractor(s) obtain reclaimed water from the Clean Water Program for this purpose.

Mitigation Measure No. 2 – Geology

One or more geotechnical investigations by a California-licensed geotechnical engineer are included as part of the project. The project sponsor and contractor would follow the recommendations of the final geotechnical report(s) regarding any excavation and construction for the project. The project sponsor would ensure that the construction contractor conducts a pre-construction survey of existing conditions and monitors adjacent building(s) for damage during construction, if recommended by the geotechnical engineer.

Mitigation Measure No. 3 – Hazards

- a. To ensure that workers and the public are not exposed to any potential hazardous materials that may exist in the soil to be graded for the new loading dock, the grading contractor shall ensure that workers who are exposed to soil contact wear rubber gloves. In addition, the contractor shall ensure that soil disturbed through grading be contained within the immediate area by means such as washing workers' shoes and washing earthmoving equipment (using recycled water as described in Mitigation Measure No. 1) prior to workers and equipment leaving the area where grading occurs. Other dust control measures included in Mitigation Measure No. 1 would also serve to prevent the dispersion of potentially contaminated soil.
- b. The project sponsor would ensure that building surveys for PCB-containing equipment (including elevator equipment), hydraulic oils, and fluorescent lights are performed prior to the start of demolition. Any hazardous materials so discovered would be abated according to federal, state, and local laws and regulations.

E. ALTERNATIVES

Alternatives to the proposed project will be discussed in the EIR and will include the following, at a minimum:

- A. No Project: The site would remain in its existing condition. The existing 125-129 Geary Street building could be renovated and reused as retail and office space.
- B. Preservation Alternative: This alternative would consist of seismic and other renovation of the existing 125-129 Geary Street building and occupancy of the building by Neiman Marcus.
- C. Partial Retention: This alternative would retain the facade and possibly other building elements, if feasible, of the existing 125-129 Geary Street building, and would include new construction for the remainder.

F. MANDATORY FINDINGS OF SIGNIFICANCE

	<u>Yes</u>	<u>No</u>	<u>Discussed</u>
1) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or pre-history?	_____	<u>X</u>	_____
2) Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?	_____	<u>X</u>	_____
3) Does the project have possible environmental effects which are individually limited, but cumulatively considerable? (Analyze in the light of past projects, other current projects, and probable future projects.)	_____	<u>X</u>	_____
4) Would the project cause substantial adverse effects on human beings, either directly or indirectly?	_____	<u>X</u>	_____

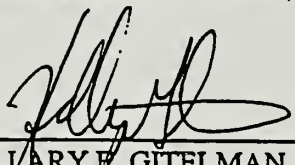
The project could affect architectural resources, including the Kearny-Market-Mason-Sutter Conservation District and a contributory building within the district. The EIR will consider these issues.

G. ON THE BASIS OF THIS INITIAL STUDY:

_____ I find the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared by the Department of City Planning.

_____ I find that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because the mitigation measures, numbers _____, in the discussion have been included as part of the proposed project. A NEGATIVE DECLARATION will be prepared.

X I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.


 HILARY E. GITEMAN
 Environmental Review Officer
 for

GERALD G. GREEN
 Director of Planning

DATE: 2/6/99

CHAPTER X

EIR AUTHORS AND CONSULTANTS; PERSONS CONSULTED

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